

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE EASTERN DISTRICT OF TEXAS
3 MARSHALL DIVISION

3 PLASTRONICS SOCKET)(
4 PARTNERS, LTD., AND)(
5 PLASTRONICS H-PIN, LTD.,)(CIVIL ACTION NO.
6 PLAINTIFFS,)(
7)(2:18-CV-14-JRG-RSP
8 VS.)(MARSHALL, TEXAS
9)(
10)(
11 DONG WEON HWANG,)(JULY 8, 2019
12 HICON CO. LTD.,)(
13 DEFENDANTS.)(1:15 P.M.

10 TRANSCRIPT OF JURY TRIAL

11 BEFORE THE HONORABLE JUDGE RODNEY GILSTRAP

12 UNITED STATES CHIEF DISTRICT JUDGE

15 FOR THE PLAINTIFFS: Ms. Katarzyna Brozynski
16 Mr. Antonio Devora
17 Mr. Bart Dalton
18 Spencer Fane, LLP
19 5700 Granite Parkway
20 Suite 650
21 Plano, Texas 75024

20 COURT REPORTER: Ms. Shelly Holmes, CSR, TCRR
21 Official Court Reporter
22 United States District Court
23 Eastern District of Texas
24 Marshall Division
25 100 E. Houston Street
 Marshall, Texas 75670
 (903) 923-7464

25 (Proceedings recorded by mechanical stenography,
transcript produced on CAT system.)

1 FOR THE PLAINTIFFS:

Mr. Brian Bear
Spencer Fane, LLP
1000 Walnut Street
Suite 1400
Kansas City, Missouri 64106

Mr. Robert Christopher Bunt
Parker, Bunt & Ainsworth, PC
100 East Ferguson
Suite 418
Tyler, Texas 75702

8 FOR THE DEFENDANTS:

Ms. Elizabeth DeRieux
Capshaw DeRieux, LLP
114 East Commerce Avenue
Gladewater, Texas 75647

Mr. Russ Emerson
Mr. Charlie Jones
Ms. Stephanie Sivinski
Ms. Debbie McComas
Ms. Tiffany Cooke
Haynes & Boone, LLP
2323 Victory Avenue
Suite 700
Dallas, Texas 75219

Mr. Samuel Lee
Mr. Jay Hoon Byun
Yulchon LLC
Parnas Tower, 38F, 521 Teheran-ro
Gangnam-gu, Seoul 06164, Korea

P R O C E E D I N G S

(Jury out.)

COURT SECURITY OFFICER: All rise.

THE COURT: Be seated, please.

All right. Let's bring in the jury, please.

COURT SECURITY OFFICER: All rise.

(Jury in.)

THE COURT: Please be seated.

Welcome back from lunch, ladies and gentlemen.

We're going to try to keep the case running on a fairly straightforward schedule so that we can get everything completed by the end of the week, as I indicated to you during jury selection.

Just so you'll know, it's my plan to start each day with you being brought into the courtroom as close to 8:30 as possible. I'd like you assembled and in the jury room by not later than about 8:15 or 8:20.

And we will take periodic recesses during each day, generally every hour and a half to two hours. I don't watch the clock, and then when it strikes exactly one and a half hours, call a recess, or two hours and call a recess. It's generally a matter of when a witness finishes and we have a transition. I look for a natural break to call a recess. But I'm not limited to that if it's necessary.

1 And then we'll have lunch brought in each day and
2 recess for lunch approximately like we have today.

3 Also, I've found that during my time on the bench
4 that East Texas juries would much rather work longer hours
5 each day and be away from their homes and their businesses a
6 fewer number of total days than they had have short days and
7 be gone a longer number of days.

8 So, consequently, we will probably not stop each
9 day at 5:00 o'clock. We will probably go at least to 5:30,
10 maybe even to 6:00, depending on, as I say, how the flow of
11 the evidence is going. If there is a two-hour witness and
12 we've had him on the stand an hour at 5:00 o'clock, we'll
13 probably finish him. I try to avoid illogical breaks in the
14 evidence so that we can keep things as intact as possible.

15 Also, I have some additional instructions that I
16 need to give you. After I've given you these instructions,
17 then we'll have opening statements from the lawyers, and
18 then after opening statements from both Plaintiffs and
19 Defendants, then the Plaintiff will proceed to call their
20 first witness and put on their -- their evidence, which we
21 call the Plaintiffs' case-in-chief.

22 After the Plaintiffs have rested their
23 case-in-chief, then the Defendants will put on their
24 witnesses in what we call the Defendants' case-in-chief.
25 And when they've called all their witnesses, then they will

1 rest.

2 And when the Defendants have rested, there'll be
3 an opportunity for the Plaintiffs to call rebuttal witnesses
4 to rebut anything that the Defendants have put on. If the
5 Plaintiffs call rebuttal witnesses, then when they have
6 completed their rebuttal case, then, at that point, all the
7 evidence will be in and before you, the jury.

8 When all the evidence is in, I will give you my
9 final instructions on the law that you're to apply, and I'll
10 also give you a list of questions that you're then to
11 answer. That list of questions is called the verdict form.
12 And your answers to those questions will constitute the
13 verdict in this case.

14 And let me remind you, your answers to those
15 questions and your verdict in this case must be unanimous.

16 You've been sworn as the jury in this case, and as
17 the jury, you are the sole judges of the facts of this case.
18 And as the sole judges, you will decide what the facts are
19 in this case.

20 Now, my role as the judge, as I've told you, is to
21 give you instructions on the law, to decide any questions of
22 law that arise during the trial, including questions of
23 evidence or procedure, and to manage the flow of the trial
24 and maintain the decorum of the courtroom.

25 As I've said, at the end of the evidence, I'll

1 give you detailed instructions on the law to apply and then
2 a list of questions to answer. Those questions are the
3 verdict form, and as I just told you, your answers to those
4 questions and your verdict in this case must be unanimous.

5 Let me briefly tell you what this case is about.

6 This case involves a dispute regarding one United
7 States patent, as well as the contractual rights to the
8 invention disclosed in that patent.

9 Now, I know that you've all seen the patent video,
10 but I need to give you some additional instructions now and
11 on the record about a patent and how one is obtained.

12 Patents are either granted or denied by the United
13 States Patent and Trademark Office, an agency of the U.S.
14 Government. This agency is often called, for shorthand,
15 simply the PTO.

16 A valid United States patent gives the
17 patentholder the right to prevent others from making, using,
18 offering to sell, or selling the patented invention within
19 the United States or from importing it into the United
20 States without the patentholder's permission.

21 A patent is a form of property. It's called
22 intellectual property. And like other forms of property, a
23 patent can be brought, and it can be sold. If more than one
24 person owns shares of ownership in a patent, the co-owner
25 does not have the right to prevent his fellow co-owner from

1 practicing the patent.

2 In other words, the practice of a patent by one
3 owner, even without the consent or involvement of the
4 owner -- other owner, does not violate the other owner's
5 rights in the patent.

6 Now, the violation of a patentholder's rights is
7 called infringement. The patentholder may try to enforce
8 his or her patent against persons they believe to be
9 infringers by filing a lawsuit in federal court. And that's
10 what we have in this case.

11 The process of obtaining a patent is called patent
12 prosecution. To obtain a patent, you first file an
13 application with the PTO, the United States Patent and
14 Trademark Office. Excuse me. As I've said, the PTO is an
15 agency of the United States Government, and the PTO hires
16 and employs trained examiners who review applications for
17 patents.

18 Now, after the application is filed with the PTO,
19 an examiner reviews the application to determine whether or
20 not it's appropriate for patent protection and whether or
21 not the application adequately describes the invention
22 that's claimed.

23 In examining the application, the examiner reviews
24 certain information about the state of the technology at the
25 time the application is filed. The PTO searches for and

1 reviews this type of information that is publicly available
2 or that was submitted by the applicant. This type of
3 information is called prior art.

4 The examiner reviews this prior art to determine
5 whether or not the invention described in the application is
6 truly an advance over the state of the art at the time. In
7 general, prior art includes information that demonstrates
8 the state of the technology that existed before the claimed
9 invention was made or before the application for the patent
10 was filed with the PTO.

11 After the prior art search and examination of the
12 application, the examiner informs the applicant in writing
13 of what the examiner has found and whether the examiner
14 considers any claim to be patentable, and if it is, then
15 it's considered to be allowed.

16 This writing from the examiner to the applicant is
17 called an office action. If the examiner, however, rejects
18 the claims, the applicant has an opportunity to respond to
19 the examiner to try and persuade the examiner to allow the
20 claims. The applicant has the opportunity to change or
21 amend the claims or to submit new claims.

22 Now, the papers generated during these
23 communications back and forth between the applicant and the
24 examiner are called the prosecution history.

25 Now, to help you follow the evidence in this case,

1 I'm going to give you a brief summary of the positions of
2 the two competing parties.

3 As you know, the parties that bring a lawsuit are
4 called the Plaintiffs, and in this case, the Plaintiffs are
5 Plastronics Socket Partners Limited and Plastronics H-Pin
6 Limited. These two limited partnerships are domestic Texas
7 business entities.

8 The parties and I may, from time to time, simply
9 refer to these Plaintiffs as Plastronics Socket Partners or
10 PSP, and the parties may also refer to Plastronics H-Pin
11 Limited as Plastronics H-Pin or maybe even just H-Pin.

12 Now, as you know, the parties against whom a
13 lawsuit is brought are called the Defendants. In this case,
14 the Defendants are Dong Weon Hwang individually and
15 D.W. Hwang doing business as HiCon Company, a sole
16 proprietorship, and HiCon Company Limited, a Korean business
17 entity.

18 Now, certain of the exhibits and testimony that
19 you may see over the course of the trial will refer to
20 Mr. Hwang as Dan Hwang. So to avoid confusion, ladies and
21 gentlemen, I'm going to do my best to refer to the Defendant
22 individually as Mr. D.W. Hwang.

23 When he's acting as a sole proprietorship,
24 D.W. Hwang, doing business as HiCon Company, you'll hear him
25 referred to as the DBA. DBA stands for doing business as.

1 And so when an individual does business as a sole
2 proprietorship, it's that person using that business name,
3 but it's still that individual conducting business.

4 To give you an example, Anne Smith, who is a
5 beautician, may have a business called Anne's Beauty Salon.
6 In that case, it's Anne Smith doing business as Anne's
7 Beauty Salon. So if you hear DBA in this case, that refers
8 to Mr. Hwang doing business as HiCon Company.

9 Then in addition, there's HiCon Company Limited,
10 the Korean entity. That entity will be referred to
11 throughout the trial simply as HiCon Limited.

12 Also, ladies and gentlemen, there's another entity
13 that you're going to hear about in this case who is not a
14 party, but you're going to hear about them, and they are
15 called HiCon USA.

16 HiCon USA is not HiCon Limited, and it's not
17 Mr. Hwang doing business as HiCon Company. It's an
18 additional third party. It's not a plaintiff; it's not a
19 defendant; but the name is similar. And in that case,
20 you'll hear that entity referred to as HiCon USA.

21 So there'll be HiCon USA, which is not a party to
22 the lawsuit; HiCon Limited, which is the Korean business
23 entity, which is a Defendant in the case; the DBA, which is
24 Mr. Hwang doing business as HiCon Company; and then
25 Mr. Hwang individually. Those are the Defendants in the

1 case, and we'll try to use those names consistently to avoid
2 any confusion during the course of the trial.

3 As I just mentioned, Mr. Hwang individually does
4 business as a sole proprietorship named HiCon Company.

5 A sole proprietorship is not a legally separate
6 entity. It's just another name used by an individual person
7 for business purposes. I gave you the example of the
8 hairdresser, Anne Smith, doing business as Anne's Beauty
9 Salon. That's a sole proprietorship.

10 And in this case, Mr. Hwang doing business as
11 HiCon Company will simply be called, so you're clear and not
12 confused, the DBA, the doing business as.

13 All right. As I mentioned during jury selection
14 earlier today, this case involves allegations of patent
15 infringement, and as I may have already mentioned, there is
16 one United States patent at issue in this case. It is
17 United States Patent No. 7,025,602.

18 Now, patents are commonly referred to by their
19 last three digits. So this patent will commonly be referred
20 to throughout the trial as the '602 or the '602 patent. It
21 may also be called the patent-in-suit or the asserted
22 patent. All of those terms mean the '602 patent. And this
23 patent general -- generally relates to contact pins used in
24 electronic devices.

25 You're going to have a complete copy of the

1 patent-in-suit, the '602 patent, in the juror notebooks that
2 are going to be passed out to you in a few moments.

3 Now, Mr. Hwang is the inventor of the '602 patent.
4 And Plaintiffs contend that an assignment agreement between
5 Mr. Hwang and Plastronics Socket Partners conveyed one-half
6 of all the right, title, and interest in this patent to
7 Plastronics Socket Partners.

8 Plastronics H-Pin later acquired and came into
9 possession of Plastronics Socket Partners' rights to the
10 '602 patent. However, the Defendants in this case dispute
11 whether the assignment agreement is a valid contract and
12 whether Plastronics Socket Partners or Plastronics H-Pin
13 have a valid interest in the '602 patent.

14 Plastronics H-Pin alleges that HiCon Limited, the
15 Korean business entity, is infringing the '602 patent by
16 making, using, selling, or offering to sell in the United
17 States or importing into the United States a product meeting
18 all the requirements of a claim of the '602 patent without
19 authority or permission to do so.

20 Plastronics H-Pin also alleges that HiCon Limited
21 is indirectly infringing the '602 patent by inducing other
22 entities to infringe without authority or permission to do
23 so.

24 The products that are alleged to infringe the '602
25 patent are the Hi-CONTACT pin, Hs-CONTACT pin, and the

1 Hr-CONTACT pin. You may hear these referred to throughout
2 the trial collectively as the accused products.

3 HiCon Limited denies it's infringing the '602
4 patent. HiCon Limited denies that it is selling the accused
5 products in the United States or induce other -- inducing
6 other entities to infringe.

7 Instead, the Defendants in this case contend that
8 the DBA, Mr. Hwang, doing business as HiCon Company, the
9 sole proprietorship, sells the accused products into the
10 United States and that because the DBA is Mr. Hwang's sole
11 proprietorship, it enjoys the same rights as Mr. Hwang to
12 sell the accused products in the United States and to allow
13 other companies to resell the products here.

14 Now, in most patent cases, ladies and gentlemen,
15 the parties dispute whether the accused products actually
16 meet all the limitations or elements of the claims of an
17 asserted patent.

18 However, in this case, the parties have agreed and
19 stipulated that the HiCon Hi-CONTACT, the Hs-CONTACT pin,
20 the Hr-CONTACT pin, the accused products, meet every
21 limitation or element of Claim 1 of the '602 patent.

22 As a result, the only contested issues related to
23 patent infringement are whether or not -- or excuse me --
24 are whether -- what person or entity, if any, makes, uses,
25 sells or offers for sale into the United States or imports

1 into the United States the accused products and whether that
2 person or entity or those entities are legally authorized to
3 do so.

4 Plastronics Partners -- excuse me -- Plastronics
5 Socket Partners and Plastronics H-Pin, the Plaintiffs, also
6 allege that Mr. Hwang breached two contracts and -- that he
7 had -- that he had with them related to the '602 patent.

8 These contracts are the Assignment Agreement and
9 the Royalty Agreement. These will be introduced into
10 evidence during the course of the trial.

11 Mr. Hwang denies these claims of breach of
12 contract and contends that the Plaintiffs waited too long to
13 bring their claims and that his conduct was further excused
14 by the Plaintiffs' own conduct.

15 Mr. Hwang also claims that the two contracts are
16 not enforceable because the Plaintiffs induced him to enter
17 into those contracts by fraud. That's the Defendants'
18 position.

19 Mr. Hwang also alleges that the Plaintiffs,
20 Plastronics Socket Partners and Plastronics H-Pin, have
21 breached the same two contracts related to the '602 patent
22 by failing to pay to him royalties that were owed to him.

23 The Plaintiffs deny these claims. The Plaintiffs
24 also argue that Mr. Hwang's claim for breach of contract is
25 precluded as Plaintiffs' actions are excused due to

1 Mr. Hwang's wrongful actions.

2 Now, in order to determine whether any party has
3 breached a contractual obligation, you'll be called upon to
4 answer several questions.

5 First, whether a valid and enforceable contractual
6 obligation existed.

7 Second, whether any party violated any of its
8 contractual obligations.

9 Third, if a party violated any of its obligations,
10 whether there is a defense for that violation.

11 Now, as I mentioned, there are two contracts at
12 issue between the parties, a Royalty Agreement and an
13 Assignment Agreement. The parties will discuss these in
14 great detail as they present their respective cases. And
15 I'll give you more detailed instructions about these
16 agreements later in the case.

17 Right now, I want to give you a very broad and
18 general description of these two contracts that are at
19 issue.

20 Generally speaking, the assignment contract grants
21 both Mr. Hwang and Plastronics Socket Partners a 50 percent
22 ownership interest in the invention disclosed in the '602
23 patent.

24 The Royalty Agreement requires Mr. Hwang and
25 Plastronics Socket Partners to make certain royalty payments

1 to one another under certain circumstances if products
2 embodying the invention are sold.

3 Both agreements also require each party to receive
4 the other party's consent before licensing the invention to
5 others.

6 Now, a license gives the license holder permission
7 to use an invention. While this is a broad overview of the
8 contracts at issue here, the specifics of what was assigned
9 by the Assignment Agreement and when a royalty is due and
10 how that royalty should be calculated under the Royalty --
11 under the Royalty Agreement and when a party must receive
12 consent of the other to license the invention are all
13 disputed issues between the Plaintiffs and Defendants in
14 this case.

15 Plastronics H-Pin now owns the interest
16 Plastronics Socket Partners originally had in these
17 agreements. However, the Defendants dispute whether either
18 of these agreements are enforceable, and, therefore, whether
19 the Plaintiffs have any interest in the agreements at all.

20 Now, I've already construed most of the terms in
21 these contracts. And I'll give you more detailed
22 instructions about the meaning of these terms later in the
23 case.

24 However, there are a few terms in these contracts
25 that I've found to be ambiguous. Therefore, if you decide

1 that either or both of these contracts are valid and
2 enforceable, then it will be your job to determine what
3 these ambiguous terms mean.

4 The first of these ambiguous terms is the term
5 "H-Pin project", which is used in the Royalty Agreement.
6 You'll be asked to decide whether the term "H-Pin project"
7 includes any rights and interest to the invention disclosed
8 in the '602 patent in the Republic of Korea, which is also
9 known, as you know, as South Korea.

10 Similarly, you're going to be asked to construe
11 the phrase "throughout the world," which is used in the
12 Assignment Agreement, and you're going to be asked to
13 determine whether the phrase "throughout the world" was
14 intended to include or exclude South Korea.

15 You'll also be asked to construe the terms "third
16 party" and "another entity" which are used in the Royalty
17 Agreement. You will be asked to determine whether the terms
18 "third party" and "another entity" mean any entity that is
19 not a party to the Royalty Agreement or whether they were
20 intended to exclude entities controlled by the parties to
21 the agreement, such as HiCon Limited, which is controlled by
22 Mr. Hwang.

23 In determining the meaning of these terms, you
24 should do your best to give them the meaning the parties
25 intended them to have at the time they entered into these

1 contracts, taking into account the business purposes of the
2 contracts.

3 You should consider both contracts in light of the
4 other. However, before you determine the meaning of any
5 term, you must first determine whether any of these
6 contracts are valid and enforceable.

7 And by instructing you on how to determine the
8 meaning of these terms, you should not assume that I have
9 any opinion one way or the other as to whether these
10 contracts are valid and enforceable. That, ladies and
11 gentlemen, is your issue to decide.

12 Plastronics Socket Partners and Plastronics H-Pin,
13 the Plaintiffs, also allege that HiCon Limited, the Korean
14 business entity, is tortiously interfering with the
15 Plaintiffs' prospective business relations and that
16 Mr. Hwang and HiCon Limited are conspiring with others to
17 tortiously interfere with Plastronics Socket Partners and
18 Plastronics H-Pin's prospective business relations.

19 Mr. Hwang and HiCon Limited deny these claims.

20 In determining whether HiCon Limited tortiously
21 interfered with Plaintiffs' prospective business relations,
22 you should consider whether there was a reasonable
23 probability that the Plaintiffs would have entered into a
24 business relationship with a third party, whether HiCon
25 Limited acted with a conscious desire to prevent the

1 relationship from occurring or knew the interference was
2 certain or substantially certain to occur as a result of
3 HiCon Limited's conduct, whether HiCon Limited's conduct was
4 independently tortious or unlawful, whether the interference
5 proximately caused the Plaintiffs' injury, and whether the
6 Plaintiff suffered actual damage or loss as a result.

7 In determining whether Mr. Hwang conspired with
8 H -- with HiCon Limited to tortiously interfere with
9 Plaintiffs' prospective business relations, you should
10 consider whether HiCon Limited and Mr. Hwang sought to
11 accomplish these goals or objects, whether they reached an
12 agreement as to these goals or objects, whether one or more
13 unlawful overt act was taken in pursuit of such goals or
14 objects, and whether damages occurred as a proximate result
15 thereof.

16 If you find that any party committed patent
17 infringement, breached its contractual obligations,
18 tortiously interfered, or conspired to tortiously interfere
19 with another's prospective business relationships, then
20 you'll be asked to determine what amount of damages, if any,
21 should be awarded as compensation for these violations.

22 A damages award, ladies and gentlemen, must be
23 adequate to compensate an injured party but must not punish
24 the party who caused the injury. You may not include in any
25 damages award an additional amount as a fine or a penalty

1 above what is necessary to fully compensate the injured
2 party.

3 Moreover, these damages cannot be speculative and
4 must be shown and proven by a preponderance of the evidence.

5 As I mentioned earlier, the case involves the
6 alleged infringement of a United States patent, the '602
7 patent. A United States patent provides rights only in the
8 United States. Therefore, if you find that HiCon Limited
9 infringed the '602 patent in the United States, you may not
10 award damages for injuries that occurred outside the United
11 States, unless you find that the Plaintiffs have shown by a
12 preponderance of the evidence that the injury was
13 proximately caused by infringement that occurred within the
14 United States.

15 However, the Royalty and Assignment Agreements
16 cover the rights to the invention disclosed by the '602
17 patent both in the United States and outside the United
18 States.

19 The precise geographical scope of the Royalty and
20 Assignment Agreements is a question that you'll be asked to
21 determine. If you find that a contract covers a geographic
22 area and that the contract was breached but conduct that
23 occurred in that geographic area -- let me say that again.

24 If you find that a contract covers a geographic
25 area and that the contract was breached but the contract

1 occurred in that geographic area, then you may award damages
2 sufficient to compensate for that injury.

3 Finally, if you find that the Plaintiffs are
4 entitled to damages for tortious interference with their
5 prospective business relations, you're going to be asked to
6 determine whether HiCon Limited and Mr. Hwang acted with
7 malice.

8 Malice means that they specifically intended to
9 cause substantial injury or harm to the Plaintiffs. Malice
10 must be shown by clear and convincing evidence. And your
11 finding on malice must be unanimous.

12 If it is, you may award additional what are called
13 exemplary damages to the Plaintiffs in addition to the
14 comp -- to the compensatory damages.

15 Now, I'll give you more detailed instructions on
16 the calculation of damages at the conclusion of the trial.
17 However, the fact that I'm instructing you on damages does
18 not mean that the Plaintiffs or Defendants are or are not
19 entitled to recover damages.

20 Also, ladies and gentlemen, you're going to be
21 hearing from a number of witnesses throughout this trial.
22 And I want you to keep an open mind while you're listening
23 to the evidence and each witness and not decide any of the
24 facts in this case until you have heard all of the evidence
25 from both sides in this trial.

1 It is important while witnesses are testifying
2 that you keep in mind and remember that you, the jury, will
3 have to determine and decide the degree of credibility and
4 believability to allocate to each and every witness and all
5 of the evidence in this case. That is an important part of
6 your service as jurors in this case.

7 So while these various witnesses are testifying,
8 you should be asking yourselves and thinking about things
9 like the following: Does this witness impress you as being
10 truthful? Does he or she have a reason not to tell the
11 truth? Does he or she have any personal interest in the
12 outcome of the case? Does the witness seem to have a good
13 memory? Did he or she have an opportunity and ability to
14 observe accurately the things that they testified about?
15 Does the witness appear to understand the questions clearly
16 and answer them directly? And, of course, does the
17 witness's testimony differ from the testimony of any other
18 witness or witnesses, and if it does, how does it differ?

19 These are some of the kinds of things you should
20 be thinking about while you're listening to each of the
21 witnesses during the course of the trial, but you alone,
22 ladies and gentlemen, as the jury, are to determine
23 questions of credibility and truthfulness of each and every
24 one of the witnesses. You are to determine the
25 believability of all the evidence. And in weighing the

1 testimony of the witnesses, you may consider the witness's
2 manner and demeanor on the witness stand, any feelings or
3 interest they might have in the case, any prejudice or bias
4 about the case, and any consistency or inconsistency in
5 their -- in their testimony when considered in the light of
6 the circumstances.

7 Has the witness been contradicted by other
8 credible evidence? Has he or she made statements at other
9 times and places contrary to the statements they make under
10 oath as witnesses in this trial? These are all some of the
11 things you should be thinking about and considering how to
12 weigh and believe and consider each of the witness's over
13 the course of the trial.

14 You should give the testimony for each witness the
15 credibility and the weight that you believe it deserves.
16 Even though a witness to a -- may be a party in a case and,
17 therefore, interested in the outcome, that testimony may be
18 accepted, if it's not contradicted by direct evidence or by
19 any inference that may be drawn from the evidence if you
20 believe that testimony.

21 You're not to decide this case, ladies and
22 gentlemen, by counting the number of witnesses who have
23 testified one way and then counting the number of witnesses
24 that have testified the other way. Witness testimony is
25 weighed. It is not counted.

1 The test is not the relative number of witnesses
2 but the relative convincing force and believability of the
3 witnesses and the evidence that they give under oath.

4 The testimony of a single witness is sufficient to
5 prove any fact, even if a greater number of witnesses
6 testify to the contrary, if after considering all of the
7 evidence you believe that single witness.

8 Also, I want to talk to you briefly about expert
9 witnesses. When knowledge of a technical subject may be
10 helpful to the jury, a person who has special training and
11 experience in that particular field -- we call them an
12 expert witness -- is permitted to testify to you about his
13 or her opinions on those technical matters.

14 However, ladies and gentlemen, you're not required
15 to accept an expert's or any other witness's opinions at
16 all. It's up to you to decide whether you believe an expert
17 witness or any witness for that matter and whether you
18 believe they're correct or incorrect and whether or not you
19 want to believe or disbelieve what they say.

20 Now, I anticipate that there will be several
21 expert witnesses testifying in support of each side in this
22 case, but when they're called to testify as an expert
23 witness, it will be up to you to listen to their
24 qualifications, listen to the opinions that they give and
25 the basis and rationale for them, explain that basis, and

1 then you will have to evaluate and determine whether you
2 believe what they have testified to. And if so, to what
3 degree and what degree do you want to give it weight, if
4 any.

5 Remember, ladies and gentlemen, judging and
6 evaluating the credibility and believability of each and
7 every witness is an important part of your job as jurors.

8 Now, during the trial, it's possible there will be
9 testimony from one or more witnesses that are going to be
10 presented through what we call a deposition.

11 In trials like this, it's difficult, if not
12 impossible, to get every witness in court in person at the
13 same time.

14 So lawyers for each side, prior to the trial, take
15 the depositions of the witnesses. In a deposition, the
16 witness is present, a court reporter is present, the witness
17 is sworn and placed under oath, and then they are asked
18 questions by the lawyers for each side. And their answers
19 to those questions and the questions are taken down and
20 recorded.

21 Portions of these recordings -- they're often made
22 as video recordings -- of the questions asked and the
23 answers given from these witnesses can be played back to you
24 as a part of this trial so that you can see and hear those
25 witnesses and hear their testimony even though they're not

1 physically present in the courtroom.

2 That deposition testimony is entitled to the same
3 consideration insofar as possible and is to be -- and is to
4 be judged by you as to its credibility, weight, and effect
5 in the same way as if the witness had testified under oath
6 from the witness stand in open court and had personally been
7 here.

8 Now, during the course of the trial, it's possible
9 that lawyers for one side or the other side will make
10 objections. And when they make objections, the Court will
11 give rulings on those objections.

12 It's the duty of an attorney for each side to
13 object when the other side offers testimony or other
14 evidence the attorney believes is not proper under the rules
15 of the Court and the rules of evidence.

16 Upon allowing the testimony or other evidence to
17 be introduced over the objection of an attorney, the Court
18 does not, unless expressly stated, indicate an opinion about
19 the weight or effect of that evidence.

20 Judging and determining the weight and that -- and
21 effect of that evidence is the responsibility of the jury.

22 As I've stated before, you are the sole judges of
23 the credibility and believability of all the witnesses and
24 the weight and effect to give to all of the evidence.

25 Now, ladies and gentlemen, I want to compliment

1 both the Plaintiffs' counsel and Defendants' counsel present
2 today because before you were empaneled in this jury, the
3 Court spent many hours with these attorneys going through
4 all the exhibits that would be offered for evidence during
5 the course of the trial. And through these -- through these
6 pre-trial procedures, the Court has already considered and
7 ruled on the admissibility of many, many, many exhibits.

8 That has saved you a lot of time while you sit in
9 that jury box. You may not understand it, but you have been
10 saved many hours of hearing objections and arguments and
11 then me ruling on exhibit after exhibit after exhibit. All
12 of that's been done in advance of the trial.

13 And that means, when an exhibit has -- is shown to
14 you during the course of the trial, it means the Court has
15 already considered its admissibility. And I've already
16 heard any arguments about that, and I've ruled on it and
17 found that it is admissible, so it can be shown to you
18 without having to go through that process during the course
19 of the trial.

20 And both sides have worked very hard to streamline
21 the issues so that the trial can move promptly and logically
22 through as we start today.

23 However, all that being said, it's still possible
24 that there may be objections raised over the course of the
25 trial. If I should sustain -- if I should sustain an

1 objection to a question addressed to a witness, then you
2 must disregard the question entirely, and you may draw no
3 inference from its wording or speculate about what the
4 witness would have said if the Court had permitted them to
5 answer the question.

6 On the other hand, if I overrule an objection to a
7 question addressed to a witness, then you should consider
8 the question and the answer just as if no objection had been
9 made.

10 You should know, ladies and gentlemen, that the
11 law of the United States permits a United States District
12 Judge to comment to the jury regarding the evidence in the
13 case. But such comments by the judge on the evidence are
14 only an expression of the judge's opinion, and the jury may
15 disregard those comments in their entirety.

16 Because, as I've told you, you, the jury, are the
17 sole judges of the facts in this case, you are the sole
18 judges of the credibility believability of the witnesses,
19 and you are the sole judges to determine the proper amount
20 of weight and effect to be given to the evidence presented
21 over the course of the trial.

22 And even though the law of the United States will
23 permit me to comment on the evidence to you, I can tell you
24 now, as I told you earlier, I am going to work very hard not
25 to comment on any of the evidence and not to let you know

1 what I think about any of the witnesses or the exhibits or
2 any of the evidence that's presented over the course of the
3 trial, and you should not take any expression or comment or
4 reaction or anything you see or hear or think you see or
5 hear coming from me as something to consider in determining
6 the ultimate facts in this case.

7 Also, ladies and gentlemen, our court reporter is
8 taking down everything that's said in the courtroom. And
9 she will continue to do that throughout the trial.

10 However, the written transcript of everything that
11 she's taking down is not going to be available for you to
12 use when all the evidence has been presented and I instruct
13 you to retire to the jury room and consider and deliberate
14 on your verdict.

15 When you retire to the jury room to consider your
16 verdict, you are going to have to rely on your memories of
17 the evidence that's been produced over the course of the
18 trial, including your memories of the testimony from each of
19 the witnesses.

20 So in a moment, each of you are going to be given
21 a juror notebook, and in the back of that notebook, you'll
22 find a brand new legal pad that you can use, if you choose
23 to, to take notes and to write down thoughts so that when
24 you retire to the jury room to deliberate, you'll have the
25 benefit of that in recalling the evidence and testimony

1 that's been given over the course of the trial.

2 Again, you will not have the transcript from the
3 court reporter to review or to consider.

4 It's up to each of you to determine whether you
5 want to take notes over the course of the trial, and if you
6 do, how extensive you want those notes to be. That's an
7 individual decision for each member of the jury.

8 But, remember, any notes that you take are for
9 your own personal use, and you're going to have to rely on
10 your memory of the evidence when you consider your verdict
11 in this case, and that's why you should pay close attention
12 to the testimony of each and every witness.

13 Also, ladies and gentlemen, you should not abandon
14 your own recollection of the evidence just because some
15 other juror's notes indicate something differently. Your
16 notes that you take, if you choose to take them, are for
17 your recollection, and that's the only reason that you
18 should be keeping them.

19 I'm now going to ask our Court Security Officer to
20 pass out these jury notebooks to each member of the jury.

21 (Pause.)

22 THE COURT: In these notebooks, ladies and
23 gentlemen, you'll see that you each have a copy of the
24 asserted patent, the '602 patent that we've talked about.

25 You'll also find a section for witness pages. For

1 each witness who might testify in the trial, you should have
2 a separate page with their picture, a head and shoulder's
3 photograph superimposed at the top of the page, and their
4 name underneath. Below that, you should find ruled lines
5 for additional note-taking, if that's something you wish to
6 do on each page.

7 Now, you should keep these notebooks in your
8 possession at all times. They should either be in your
9 possession in the jury box, or when you leave each evening,
10 they should be closed and on the table in the jury room.
11 They should not be anywhere else.

12 Now, having said that, there may be times over the
13 course of the trial that we're going to take a brief recess
14 and we're not going to be out of the courtroom very long,
15 and I might tell you, ladies and gentlemen, you can simply
16 close and leave your notebooks in your chairs.

17 And in that case, you can leave them there, and
18 after the short recess, they'll be there when you come back.
19 But unless I tell you that, they should either be in your
20 possession or they should be closed and kept on the table in
21 the jury room at the end of each day.

22 Now, in a moment, the lawyers for each side, the
23 Plaintiffs and the Defendants, are going to give you their
24 opening statements. These opening statements, ladies and
25 gentlemen, are designed to give you a roadmap of what each

1 side expects its evidence will show you.

2 You should remember throughout the trial that what
3 the lawyers tell you is not evidence. These opening
4 statements are not evidence. The statements and the
5 questions that they ask during jury selection are not
6 evidence. The arguments that they will make at the close of
7 the evidence when they give you their closing arguments are
8 not evidence.

9 The evidence is the sworn testimony of the
10 witnesses, given under oath from the witness stand, subject
11 to cross-examination, and the exhibits that the Court has
12 considered and admitted as evidence in the case. Those two
13 things are the only evidence in this case.

14 So I remind you again, what the lawyers tell you
15 is not evidence. What the lawyers tell you is their
16 impression of what they believe the evidence will show you.
17 And they have a duty to point this out to you, but,
18 remember, what they tell you is not evidence.

19 Now, after the opening statements are given by the
20 Plaintiffs, then an opening statement will be given by the
21 Defendants. After both sides have given their opening
22 statements, then the Plaintiffs will begin their
23 case-in-chief where they put on their evidence. They will
24 call their witnesses, and they will present their evidence
25 through those witnesses to you.

1 When each witness has been examined by Plaintiffs'
2 counsel, then Defendants' counsel will have an opportunity
3 to cross-examine those witnesses. And when Plaintiff has
4 called all their witnesses, they will rest their
5 case-in-chief.

6 At that point, the Defendants will present their
7 case-in-chief where they call their witnesses, and their
8 lawyers will examine those witnesses, and when the lawyers
9 have examined them, then the Plaintiffs' lawyers will
10 cross-examine them. And when the Defendants have called all
11 of their witnesses, they will rest their case-in-chief.

12 Then when the Defendants rest their case-in-chief,
13 the Plaintiffs have an opportunity to call rebuttal
14 witnesses to rebut what -- anything that they believe needs
15 to be addressed that was put on during the Defendants'
16 case-in-chief.

17 When the Plaintiffs rebuttal witnesses, if any,
18 are through, then and at that point, you will have heard all
19 of the evidence in this case. And at that point, I will
20 give you final instructions on the law that you are to apply
21 to the evidence that you've heard in determining the facts
22 of this case.

23 After I have given you my final instructions on
24 the law, that's sometimes called the Court's charge to the
25 jury, then the lawyers will present their closing arguments.

1 The Plaintiff will presents its first closing argument, then
2 the Defendants will present their closing arguments, then
3 the Plaintiff will present a final closing argument.

4 The Plaintiff goes first and the Plaintiff gets to
5 go last because the Plaintiff has the burden of proof.

6 After you've heard closing arguments from both
7 sides, Plaintiffs' counsel and Defendants' counsel, then I
8 will direct you to retire to the jury room to deliberate on
9 those questions that constitute the verdict form and to
10 reach a unanimous decision on how to answer each of those
11 questions, and those answers to those questions will
12 constitute the jury's verdict in this case.

13 Let me remind you again, my instruction not to
14 discuss or communicate about the case with anyone applies to
15 the eight of you among yourselves, and you are not to
16 discuss anything about the witnesses or the evidence or
17 anything that transpires in the courtroom until such time as
18 you have heard all the evidence and I have instructed you to
19 retire to the jury room to deliberate on your verdict.

20 At that point, at that important juncture, then it
21 becomes your duty to discuss among each other all the
22 evidence that you've heard in addressing the questions in
23 the verdict form and attempting to come to a unanimous
24 decision as to how to answer those questions.

25 But until I direct you to retire to the jury room,

1 after all the evidence is presented, and consider your
2 verdict, you are not to discuss or communicate with each
3 other about the case in any way. And as I've already made
4 abundantly clear, you're not to discuss or communicate with
5 anyone else about the case in any way throughout the
6 process.

7 Let me also briefly remind you as I did before
8 lunch, the Court's instructed counsel and the parties and
9 the witnesses not to communicate with the jury in any way.

10 So, if you happen to pass one or more of these
11 good folks during the course of this week's trial, don't
12 hold it against them if they don't stop and talk to you
13 because they won't stop and they won't speak to you because
14 I've told them not to. And when that happens, that's on me;
15 that's not on them. Don't hold it against them. Don't
16 think they're rude or unfriendly or inconsiderate. That's
17 not the case.

18 Again, the evidence that you will consider in
19 answering the questions in the verdict form must be limited
20 to the sworn testimony in open court and the exhibits that
21 are introduced with -- by the Court -- or admitted by the
22 Court over the course of the trial.

23 All right. With those instructions, ladies and
24 gentlemen, we will now hear opening statements from the
25 Plaintiff.

1 Plaintiff may now present its opening statement to
2 the jury.

3 MR. DALTON: Thank you, Your Honor.

4 THE COURT: Would you like a warning on your time?

5 MR. DALTON: Five minutes, please, Your Honor.

6 THE COURT: All right. I'll give you a warning
7 when five minutes remain.

8 You may proceed with opening statements.

9 MR. DALTON: May it please the Court.

10 My name is Bart Dalton. I am one of the lawyers
11 for the Plaintiffs, Plastronics. You've already talked with
12 my colleague here, Mr. Bunt.

13 You got a little taste of what this is about, but
14 really what this is about is Mr. Hwang came over here from
15 Korea to work for my client, Plastronics, up in Irving,
16 Texas.

17 When he got there, he had some ideas about a
18 design for a piece of technology that we're going to walk
19 through, but he needed Plastronics' money and he needed
20 Plastronics' help because of the costs that would be
21 incurred in trying to make this product.

22 So he entered into a couple of agreements with
23 Plastronics, and Plastronics followed through. They made
24 the product. They got it to the market.

25 Shortly after they got it to the market, Mr. Hwang

1 left back -- went to Korea. When he went back to Korea, he
2 did a couple of things that Plastronics didn't know about
3 and which violated the contracts that he had formed with
4 Plastronics.

5 The first one of those was that he started his own
6 corporation, in which he's a 51 percent owner. And the name
7 of that corporation is HiCon Company Limited.

8 The other thing that he did was that he licensed,
9 which is just giving permission, to that entity to produce
10 the same product that his former employer -- his former
11 employer, Plastronics, had helped create and make and put on
12 the market.

13 Since that time, he has been sending the same
14 product that Plastronics makes into the United States, and
15 that violates Plastronics' rights to that patent here in the
16 U.S. He's also been trying to take away Plastronics'
17 customers. So that's what we're here for.

18 A little bit about my client. Plastronics is a
19 company. It's based in Irving, Texas. It employs about
20 100 people. It was -- it was started in the 1980s by Ann
21 and Wayne Pfaff. Unfortunately, Mr. Pfaff passed a few
22 weeks ago, but Ann Pfaff is still alive, and she might even
23 be here in the court. But here's the pictures of them.

24 So the idea was, Wayne was an engineer. He knew
25 how to do these things. Ann was a high school teacher who

1 was a math teacher up in Irving High, and she was good at
2 numbers so she became the accountant.

3 Later on now, the president of the company now is
4 Mr. David Pfaff, and he's the gentleman who's over there to
5 the left. He had been working with Plastronics as a kid.
6 He would go to the warehouse, help load boxes. He would
7 work there during the summertime.

8 He did go to college in California, came back,
9 went to UT at Austin to get his graduate degree and started
10 with the company full time after he graduated. So now he's
11 the current president of the company.

12 The story really begins in 2003, and this happens
13 in Germany. Both -- Plastronics was working on a project
14 with a Korean -- Korean company, and they were trying to
15 sell a product to somebody -- a customer in Germany.

16 Mr. Pfaff went on behalf of Plastronics to
17 Germany, and the Korean company sent Mr. Hwang, who that was
18 his employer at the time.

19 After those meetings with the customers, Mr. Hwang
20 and Mr. Pfaff met for dinner. At those -- at the dinner
21 conversation, Mr. Hwang told Mr. Pfaff that it's always been
22 a dream of his to have his sons be educated in the United
23 States. That was a dream of his, and then he also ended up
24 asking Mr. Pfaff for a job here in Texas.

25 THE COURT: Mr. Dalton, either pull the microphone

1 a little closer or speak up.

2 MR. DALTON: Oh, I'm sorry.

3 THE COURT: I want to make sure the jury hears
4 you.

5 MR. DALTON: Okay. He asked for a job. When
6 Mr. Pfaff returned to Irving, he called Mr. Hwang's boss and
7 he wanted to make sure this was okay because this was a
8 friend of his, and he didn't want to step on any toes.

9 Mr. Hwang's boss said that was fine, and so then
10 the wheels started getting in motion getting Mr. Hwang over
11 here. Mr. Pfaff offered him a salary of a hundred thousand
12 dollars.

13 He paid his moving expenses. He paid for a law
14 firm to get his green card and immigration papers squared
15 away for he and his family, even provided some temporary
16 housing until he got his own place. And because of the
17 problems that people have from foreign countries coming
18 here, Mr. Pfaff even cosigned personally on a car for -- for
19 Mr. Hwang.

20 So things started out well. He -- Mr. Hwang is
21 now at Plastronics. And we're going to jump to 2005.

22 Mr. Hwang comes to Mr. Pfaff and tells him that
23 shortly when he started at Plastronics, he -- he filed for a
24 patent on a design he had for a pin. And let me give you a
25 little background on some of this technology because it will

1 be helpful.

2 This is a -- this is what this case is really
3 about. Computer chip-makers, when they're testing their
4 chips, they need to make sure that they run like they're
5 supposed to. So the computer chips that run your phones and
6 your computers, you've got to make sure those things work.

7 So there are companies that make these boards, and
8 then they hire other people to make these sockets. And
9 that's what Plastronics does. They make these sockets. So
10 there's different computer chips that come so they have to
11 make it all custom to whatever computer chip that they
12 are -- they're testing.

13 On the back, you're going to see these little tiny
14 things. They're called pins. And we're going to be talking
15 about pins a lot because that's what this case is about, are
16 these pins. And the pins basically are like a prong on an
17 electric socket. They plug into the electricity source.

18 And so this will go into some electrical source,
19 and the pins connect, and then they run either hot or -- you
20 try to see, you know, if they work like they were designed
21 to do. So that's the business. So Plastronics makes
22 sockets, and they make the pins.

23 So we go back to -- about one year into
24 Mr. Hwang's tenure at Plastronics. He tells Mr. Pfaff that
25 shortly after he started working at Plastronics, he had

1 filed for an idea for a patent for an idea he had for one of
2 these pins. And he asked Mr. Pfaff for a little help.

3 He was running against a deadline. There's a year
4 deadline in which, if you get a patent someplace and you --
5 you want to go apply in other countries, it's going to --
6 you've got to do it within a year. If not, you lose the
7 protection anywhere else in the world.

8 So it's very important you get these things -- if
9 you're going to try to get patent rights in different
10 countries, that you get these applications.

11 Well, Mr. Hwang was running again -- up against a
12 wall on this one, and there's a few weeks left, so he
13 needed -- these patent applications are very -- they're
14 expensive. They're not cheap. You're going to have a
15 lawyer to do these things, and then you have to file them in
16 multiple countries, and so the cost is very substantial. So
17 he wanted Mr. Pfaff's help in filing patents on this design
18 that he had for a pin.

19 He -- he also wanted to -- to have Plastronics try
20 to see if they could make an actual product out of this pin,
21 to undergo the research and development and invest the money
22 to see if this thing could be a viable product that somebody
23 would buy at a price that they could make it.

24 So it was -- he not only needed this help with the
25 patents, but he wanted to make sure this thing -- let's make

1 it a product.

2 So you'll see that Mr. Hwang sent a first draft --
3 first draft of an agreement to David Pfaff. And I think
4 that's up on your screen here. But you'll see that this is
5 Mr. Hwang's -- Plastronics will pay for the expense of the
6 patent, its applying fee, the attorney fee, and the pat --
7 patent maintenance fee, et cetera.

8 No. 4, Plastronics will pay a royalty to Mr. Hwang
9 as next, royalty percentage of -- of 3 percent of adjusted
10 gross sales. And then after -- he talks about different
11 equipment and different costs that are going to be
12 associated with building this thing.

13 So he recognizes that there -- there's a -- a big
14 cost associated with making this equipment and that
15 Plastronics would have to make that money back before he was
16 paid any royalty.

17 And the royalty is just another term for, you
18 know, paying you -- just some money, a percentage of your
19 sales. That -- that's what a royalty is.

20 Another thing that's going to be important in this
21 case is that -- it's the last sentence here. PSP will pay
22 for the development of this invention and worldwide patent
23 rights where needed and be assigned the patent in all
24 worldwide areas jointly with Hwang except Korea.

25 So the agreement was that they would let Mr. Hwang

1 be the hundred percent owner of the Korean patent, but
2 everywhere else in the world where they wanted to go file a
3 patent, which hadn't been determined yet, they were going
4 to -- he would -- Plastronics would own it 50/50 with --
5 with Mr. Hwang.

6 Another important point that's going to be -- is
7 what is defined in this agreement, what was actually being
8 assigned.

9 If I could have the next slide, Ms. Bowron.

10 There's a definition in -- in the agreement. And
11 the definition is the H-Pin Project. And you'll see that
12 this -- this might be a source of -- it was -- Judge
13 Gilstrap said that there -- Defendants are saying there's
14 some ambiguity in this.

15 But you'll see that the -- that the exact language
16 of the -- the contract says that the H-Pin Project includes
17 the Korean patent. Therefore, although -- so that --
18 Plastronics for putting in all this money in developing, it
19 still has -- exercise some rights over what Mr. Hwang can --
20 can do with the patent.

21 Next slide, please. Thank you. No. 12, please.

22 Now, in this Royalty Agreement, there's a Section
23 5. And this says that the -- licensing the H-Pin Project
24 rights. And remember, we defined the H-Pin Project as the
25 Korean patent. And this particular clause says that neither

1 PSP or Hwang can grant a license for the patents covering
2 the H-Pin Project without approval from the other -- from
3 the other party.

4 This means that neither party could assign or give
5 somebody else permission to make this without the other
6 person allowing it or giving their permission.

7 And you'll see that this was a very important
8 right for Plastronics. And because -- they weren't going to
9 put all this money into this project, the millions of
10 dollars that it took to do this, and then let Mr. Hwang
11 license or give somebody else permission that would wipe out
12 Plastronics, giving it to a big competitor, giving it to a
13 Samsung, giving it to somebody like that.

14 So that was always something that Plastronics --
15 and the evidence is going to show you that it's something
16 always -- Plastronics bargained for and -- and had in mind
17 in this provision.

18 These include corporations. Plastronics was going
19 to give Mr. Hwang the ability to practice that patent by
20 himself, but they -- they weren't going to give him the --
21 the opportunity or give him permission to start a company
22 and start competing with Plastronics because a corporation
23 has certain advantages over a -- a sole proprietorship.

24 You kind of have to look at it like a -- it's a
25 foot race, and Plastronics says, well, look I'll -- I'll

1 race with you, but I'm not going to give you a 90-yard head
2 start. You know, I got to get -- I've got to contain you in
3 some way. You can do it in your garage, but I can't let you
4 do it through a company because you're going to -- it's a --
5 you know, we put way too much money in this, and we've got
6 to protect that investment.

7 So the parties finally -- they signed the Royalty
8 Agreement. The -- Plastronics filed a patent in the U.S.,
9 and that's that '602 patent that Judge Gilstrap just told
10 you about.

11 So with that and the other applications they made,
12 there's another agreement that they came to, and it was
13 called the Assignment Agreement. And the Assignment
14 Agreement is -- is between Plastronics and Mr. Hwang. And
15 this -- the purpose of this agreement was that if -- if
16 Plastronics was going to pay for these patents and it was
17 going to pay for the development of this product or pay to
18 see if it would even be developed, there's always a risk,
19 that they needed to have some control over what Mr. Hwang
20 did with it in -- in the same way with Mr. Hwang would have
21 the ability to stop Plastronics from assigning this.

22 So in the highlighted portion here, it says: The
23 assignees -- ands this is -- this is both Mr. Hwang and
24 Plastronics -- will say we agree not to transfer any
25 interest in or license the invention disclosed in said

1 application in the United States and throughout the world
2 without the written consent of all assignees.

3 So we've got two contracts in place. We've got
4 the Royalty Agreement, and we've got the Assignment
5 Agreement. And neither of those allow either party to
6 assign it to anybody else or let anybody else do it without
7 the other party saying it's okay.

8 So we're going to fast forward. Mr. Hwang is
9 still working at Plastronics. And it's the -- probably have
10 to call it a three-year odyssey of Plastronics to try to get
11 this thing into, you know, product.

12 And, you know, a patent application might have
13 some drawings, but it takes a whole lot to -- to take a
14 drawing and actually make it a product. And it --
15 particularly, in this industry, because you've got to make
16 little tiny things, which then you've got to make sure that
17 they have some structural integrity so, you know, they don't
18 move, so it's a very difficult process.

19 You're going to hear from Plastronics about some
20 of the things that they had to do to get this thing
21 commercialized. They -- and -- you know, one of these
22 things is these things don't come off the shelf -- you know,
23 there's not machines that you can go out and say, well, I'm
24 going to start making these pins. You've got to go and
25 you've got to actually purchase -- or you've got to go to a

1 vendor to say I need you to make this for me. And you've
2 got to pay money for these people to see if they can. And
3 there's no guarantee they can.

4 Plastronics went to a couple of vendors in the
5 United States, and they said we can't even make this what
6 you're -- what you're trying to do. This is way too tough.
7 We don't -- we can't do it.

8 They were forced to go overseas to try to find
9 some vendors to do it. And they finally found somebody
10 who -- who could do what this product was meant to do, and
11 would have to do it at a cost -- you know, that the people
12 would actually buy it at.

13 So during this time, Mr. Hwang is working on this
14 H-Pin Project. He's involved in this, and he's -- he's
15 still on his salary. He's making his hundred thousand
16 dollar salary. He's -- he's -- knows about the
17 manufacturing. He knows about the customers. He knows
18 about the pricing.

19 So as soon as this -- this pin -- this H-Pin is
20 ready to market, Mr. Hwang goes -- now says he's leaving
21 Plastronics, and he's going to head back to Korea.

22 I believe that's Slide 16, Ms. Bowron, please.

23 Mr. Hwang writes this in 2008: Thank you so much,
24 David Pfaff, everybody here, and I had a great time. Great
25 three and a half years. Keep you in my memory. And I'm

1 going to contact you in the future, and you can contact me
2 below when I open my company in Korea. And then there was
3 no indication what that -- what that company would -- would
4 do.

5 But there -- there are two things that we
6 discussed that Mr. Hwang did do when he returned to Korea.
7 The first one was that he registered this corporation, HiCon
8 Company Limited. And he -- and this was the Korean business
9 certification that he -- he calls himself the president,
10 Dong Weon Hwang.

11 The second thing he does is that he gives a
12 license from himself to this entity, HiCon Company Limited.
13 As we discussed in those two agreements, he needed
14 Plastronics's permission to do that.

15 So -- so he did the very thing that he had
16 contracted that he wouldn't do.

17 Plastronics was not aware of this. This was -- he
18 gave this to himself. So at the time, Plastronics had no
19 way of knowing that he had done this.

20 Now, in 2009, this -- the sockets and pins
21 industry, they have a conference every year. It's called
22 the BiTS Conference, and it's in different cities in the
23 U.S. But in 2009, Plastronics gets the brochure for the
24 2009 -- their conference, and the -- the brochure on there
25 says -- can I get Slide 20, please? Thanks.

1 So the BiTS Conference in 2009 here in the states,
2 we've got Plastronics is going to be there sponsoring and
3 exhibiting and also this entity, HiCon Limited. And so Mr.
4 Pfaff, who's -- who's very surprised that HiCon Company
5 Limited is here in the United States and -- and trying to
6 sell the exact same thing that he's selling is a little
7 astonished, a little surprised because that's not what he
8 bargained for. He didn't -- he didn't make this technology
9 so that Mr. Hwang could go back to Korea and compete against
10 him.

11 So Plastronics ended up filing a lawsuit in 2009
12 up in Dallas. And ultimately, Mr. Hwang said: Let's --
13 let's renegotiate the contracts. You dismiss the case, and
14 let's -- let's renegotiate. And Mr. Pfaff said: That's
15 fine. Let's -- let's do that. You know, let's not drag
16 this thing out. Let's do that.

17 So now we're at 2009, and we're trying to
18 renegotiate -- renegotiate, but Mr. Hwang won't renegotiate.
19 And so -- but he does keep saying that -- demanding that --
20 Mr. Pfaff says: I am writing -- I'm awaiting your consent
21 on licensing the H-Pin patent to HiCon ASAP, per the
22 agreement.

23 So this is after the fact that -- and you saw that
24 he had actually done this very thing. So after the fact,
25 he's asking for Mr. Pfaff's consent, probably noticing that

1 he was wrong and so that he did actually get to say, yeah, I
2 needed his consent and I didn't ask for it, and now I've got
3 to go back in time, try to get his consent, or I'm going to
4 be in trouble.

5 So -- but Mr. Hwang turns down any offer. They
6 can't get any traction on trying to settle this thing out.
7 And so -- but -- but since that time, HiCon Limited was
8 selling the H-Pins, the same product that Plastronics makes
9 in the United States.

10 They were -- and they're also trying to get
11 Plastronics's customers, same time. They're going out in
12 the United States and saying: Hey, why don't you buy these
13 pins from us. Don't buy it from Plastronics, buy it from
14 him -- us.

15 And so as we -- you know, as Judge Gilstrap said
16 in his instructions, that violates the patent laws. If --
17 if Plastronics has the right to sell that H-Pin in the
18 United States and -- and so somebody needs their permission
19 if they were to do that, and he did not give HiCon Limited
20 his permission.

21 So not a lot is heard of from Mr. Hwang in 2009.
22 All this stuff is going in kind of the background that
23 Mr. -- Plastronics and Mr. Pfaff are -- don't know about.

24 But in 2017, there was a deal that was made
25 between a -- an entity called HighRel and Mr. Hwang and

1 HiCon Company Limited.

2 HighRel is a company that sells the green boards,
3 and they don't actually make the pins and sockets, but they
4 sell the boards. And for 20 years, HighRel had been using
5 Plastronics's pins and sockets on -- on their boards.

6 And so the way it works is that then HighRel will
7 go to a computer chip maker and say: Yeah, here's -- here's
8 your boards, here's for your -- for your testing.

9 So they have a -- going to try to get all these
10 down. There's NXP in Austin, is a semiconductor company
11 that they sell to. ON Semi, Plano and Austin. Intel, here
12 in Silicon Valley, got offices in Austin and Houston.
13 Micron based in Boise, but they have an office up in Allen.
14 All of those companies now -- those are the companies that
15 Mr. Pfaff and Plastronics was selling to up until this time.

16 So there is a -- there's a person at HighRel now
17 who took the job of president, and his name is
18 Mr. Schubring. Mr. Schubring worked at Plastronics
19 previously, and he knew Mr. Hwang there. So they kind of
20 reconnect. And they -- they come to this agreement that now
21 HiCon Company Limited pins will be -- we're -- we're going
22 to replace the Plastronics pins and sockets on our boards,
23 and we're going to replace them with HiCon Company Limited
24 pins and sockets.

25 So that shuts Plastronics out of a huge amount of

1 the market. And then after this, so they -- they sign this
2 Distribution Agreement, which is in front, probably not --
3 but I can't read that very well, but we'll get into that
4 during the trial.

5 And also the -- HiCon Company Limited announces
6 their -- their partnership with -- with HighRel.

7 Can you get 28 for me?

8 So here we go. We have August 2017. This is a
9 presentation from HiCon Company Limited, appointed HighRel,
10 Inc., as the exclusive distributor for HiCon products in
11 North America.

12 And so you're not lost on this, HiCon Company
13 Limited has no right to sell this into the United States,
14 but they're doing it. And they -- they could sell it, but
15 they'd -- they'd need permission from Plastronics. But
16 they're doing it anyway. They're doing it open and
17 notorious, and -- and so now they're -- they've got a
18 distributor here in North America who's going to help them
19 do this.

20 Here's who we're suing and -- and why we're doing
21 it. So one juror said there's a lot of mumbo jumbo, so I'm
22 going to try to cut through it. So we're suing Mr. Hwang,
23 and we're suing HiCon Company Limited, okay?

24 We're suing Mr. Hwang because he breached his
25 agreements with Plastronics by assigning that patent to --

1 to HiCon Company Limited. That was something that was
2 expressly prohibited in the agreement. He did not get the
3 permission of Plastronics to do that.

4 THE COURT: Five minutes remaining.

5 MR. DALTON: We also have -- we're going to be --
6 we also have causes of action against -- against Mr. Hwang
7 for inducing infringing. We have him for -- for assisting
8 and encouraging. And we are also have -- our claims against
9 HiCon Company Limited -- yeah, and this is for patent
10 infringement.

11 You're going to see that they sell that -- the
12 same H-Pin in the U.S. that Plastronics sells without their
13 permission. You're going to see that H-Pin -- that when --
14 that HiCon Company Limited employees are seeking out
15 customers here. HiCon Company Limited is signing contracts
16 here. They're going to trade shows. They ship products to
17 the United States. We have invoices that say that.

18 We're also suing HiCon Company Limited for
19 tortious interference with our -- our customers because they
20 fraudulently tell people that they have the right to sell in
21 the U.S. when they actually don't.

22 We also have conspiracy charges with Mr. Hwang
23 working with HiCon Company Limited to do those tortious
24 interference with prospective business relations.

25 Some of the -- the things that are going to be

1 discussed here at trial that the defense might say they're
2 going to talk -- you're going to hear a lot of talk about
3 HiCon Company -- Hwang's DBA HiCon Company. He's going to
4 say that the DBA was actually selling products into the
5 United States so he had the right to do it. That it wasn't
6 HiCon Company Limited and that they are the person behind
7 all this, so -- so he's -- that's fine, but he's not really
8 infringing the patent.

9 But there's -- there's some things that you -- you
10 need to keep in mind with this -- this Hi -- the DBA HiCon
11 Company.

12 DB -- HiCon -- the DBA sole proprietorship is only
13 Mr. Hwang. It has no assets. It has no marketing. It
14 doesn't book its sales and records. It doesn't have its own
15 books. It uses the same address as HiCon Company Limited.
16 It has the same contact names in both registrations for the
17 DBA and HiCon Limited. And it's not Mr. Hwang. So it's an
18 employee of HiCon Company Limited.

19 You're going to see at some point in 2009,
20 Mr. Hwang started using this generic name HiCon. And
21 basically he was trying to kind of make it murky between who
22 was it -- was it HiCon Company Limited or was it HiCon
23 Company? And you'll see that -- the reason why he did this
24 is he wanted it both ways, right?

25 So he wanted -- when he was actually selling

1 products and being a big -- you know, trying to get million
2 and billion-dollar companies to -- to buy products for him,
3 he was the big corporation. He was HiCon Company Limited.
4 We also have -- Mr. Hwang has claims against Plastronics
5 about royalty payments. What these royalty payments -- as
6 you'll see in the Royalty Agreement, is that there are
7 certain costs that need to be paid back to Plastronics
8 before he actually gets a royalty.

9 You're going to hear from Mr. Pfaff about the
10 millions of dollars that Plastronics spent on this thing and
11 why it's affected their ability to pay him royalties under
12 the agreement.

13 And the last thing we're going to ask you to do
14 here today -- at the closing arguments, we're going to ask
15 you to compensate Plastronics for the harm that Mr. Hwang
16 has done in these companies.

17 So if you can get 46 on the screen, Ms. Bowron.
18 Thank you.

19 We're going to have our expert -- he's going to
20 come on, and he's a guy that does these calculations, and he
21 can -- he'll tell you what the lost profits are for -- for,
22 you know, Mr. Hwang's breach of contract.

23 So Plastronics has lost 25 million 859 -- 872,000
24 dollars in lost profits for Mr. Hwang's breach of these
25 assignment agreements. Plastronics has -- for the tortious

1 interference of contract, they've lost \$11,231,676. And for
2 the lost profits on the patent infringement case, we're
3 going to ask you to return a verdict of \$4,205,228.

4 Thank you.

5 THE COURT: All right. Defendants may now present
6 their opening statement.

7 Mr. Emerson, would you like a warning on your
8 time?

9 MR. EMERSON: I would like five and one, Your
10 Honor.

11 THE COURT: I'll warn you when five minutes and
12 one minute remain.

13 You may proceed.

14 MR. EMERSON: And, Your Honor, with the Court's
15 indulgence, I would like the opportunity to use the easel,
16 if I may?

17 THE COURT: Well, tell me where you want to place
18 it.

19 MR. EMERSON: I will place it wherever you would
20 like it, but I was thinking right about here.

21 THE COURT: And where do you intend to stand while
22 you're using the easel?

23 MR. EMERSON: Right here.

24 THE COURT: Well, you're going to have to -- I'll
25 let you use it there, but you're going to have to make sure

1 you're heard by the jury. If you're going to have your back
2 to the jury and speaking toward the easel without the
3 microphone, you're going to have to make sure you're heard.

4 MR. EMERSON: Understood, Your Honor. How about I
5 put it right here?

6 THE COURT: I'm good with either place. You pick.
7 I just want you to be heard by the jury.

8 MR. EMERSON: The other indulgence that I would
9 ask, Your Honor, is if I can approach the jury box and show
10 them some models. And I'll stand right here.

11 THE COURT: Just while you're showing those
12 models.

13 MR. EMERSON: Yes, Your Honor.

14 THE COURT: Not any closer. That's all right.

15 MR. EMERSON: Thank you, sir.

16 THE COURT: Proceed with your opening statement.

17 MR. EMERSON: Thank you, Your Honor.

18 May it please the Court, court staff, Mr. Dalton,
19 and ladies and gentlemen of the jury.

20 Mr. Hwang has every right to practice his own
21 patent. There's no dispute in this case that Mr. Hwang
22 invented the H-Pin. There's no dispute in this case that
23 Mr. Hwang invented the H-Pin while he was living in Korea.

24 There's no dispute in this case that Mr. Hwang
25 invented the H-Pin before he came to Plastronics. There's

1 no dispute in this case that no one from Plastronics helped
2 Mr. Hwang invent the H-Pin.

3 There's no dispute in this case that Mr. Hwang was
4 working at Plastronics when he invented the H-Pin. There's
5 no dispute in this case that Mr. Hwang owns 100 percent of
6 his Korean patent on the H-Pin. There's no dispute in this
7 case that Mr. Hwang owns 50 percent of the U.S. patent on
8 his H-Pin.

9 Now, with the Court's permission, I would like to
10 go to the jury box?

11 THE COURT: You can stand where I've indicated.

12 MR. EMERSON: And before I go any further, I just
13 want to talk to you guys a little bit about what the H-Pin
14 is.

15 Mr. Brockwell, will you put up the dime slide,
16 please?

17 These pins are tiny. They're about the size of a
18 splinter you might get in your finger. Before Mr. Hwang
19 invented the H-Pin, the main type of spring probe that was
20 in use in the industry was something called the Pogo Pin.
21 This is a model of the Pogo Pin that Mr. Hwang made to show
22 customers.

23 And the Pogo Pin has four parts. Inside the
24 cylinder, there's a spring, and on either side of the
25 cylinder, there are these plungers, okay? So it has a

1 little bit of give like this. The problem with the Pogo Pin
2 and the problem that Mr. Hwang saw was that the Pogo Pin is
3 very expensive and time-consuming to make.

4 These plungers are machined. What is that? Some
5 of you may do woodworking or know people who do woodworking
6 and know what a lathe is. These metal pieces are cut on a
7 lathe. It's essentially carved out of a chunk of metal.
8 And it takes a while to carve these plungers out of a chunk
9 of metal. So you have two of them that have to be machined.

10 And the cylinder is typically manufactured using a
11 technique called drawing, and that's also expensive and
12 time-consuming.

13 THE COURT: You're going to have to speak up,
14 Mr. Emerson.

15 MR. EMERSON: Thank you, Your Honor.

16 What Mr. Hwang saw was that as computer chips got
17 more and more complicated and more and more complex, they
18 had more and more contacts on them. And those contacts,
19 when they're tested, need to be contacted by one of these
20 probes. So the H-Pin was very expensive and very
21 time-consuming to make.

22 And this was his invention. This is a model of
23 the H-Pin. And before I go any further, I just want to say
24 something about the nomenclature. For your convenience, for
25 everyone's convenience, I'm going to call this the H-Pin.

1 H-Pin is Plastronics' trademark. That's what they call
2 their version of this device.

3 Mr. Hwang calls it something else. But they are
4 essentially the same. They're very similar. And so to
5 avoid any confusing -- confusion, I'm just going to refer to
6 the H-Pin, okay?

7 So here's the H-Pin. And the key difference is --
8 well, there are fewer parts. You have these -- instead of
9 four parts, you have these two things here, upper and lower
10 contact pins, and a spring. And the most important
11 difference is that these parts are not made by machine.
12 They're not carved out of metal. They're stamped.

13 So what is stamping? The easiest way to explain
14 how stamping is, is it's like making cookies. When you make
15 cookies, you roll out a sheet of dough, like Christmas
16 cookies, and you've got a shape, and you stamp that shape
17 and go.

18 Same thing here. You have a -- a sheet or a roll
19 of metal, and you have a tool that comes along, and the
20 metal proceeds along a path, and this tool stamps out these
21 parts at a very rapid rate.

22 You can make two of these plungers in a minute.
23 You can make -- well, let me say this: It's 30 seconds to
24 make one plunger. Two in a minute. You can make 250 of
25 these in a minute stamping.

1 And I also have some actual H-Pins here. You can
2 probably barely see them because they are really super tiny.
3 And, again, as I said, these are about the size of a
4 splinter you might get in your finger, small splinter.

5 Now, you're going to hear in this case that -- may
6 I go once more, Your Honor?

7 THE COURT: You've been there enough, remain at
8 the podium.

9 MR. EMERSON: I'm sorry. One thing I was going to
10 show you, ladies and gentlemen of the jury, is just how
11 these -- how this goes together. The spring goes around it,
12 and it just snaps in like that. So it's very simple, very
13 easy, very cheap, and very fast compared to the Pogo Pin.

14 You're going to hear, ladies and gentlemen, that
15 this invention was Mr. Hwang's baby. It was revolutionary.
16 It changed the world, at least the world that he lived in,
17 which was the world of testing semiconductor chips.

18 And you don't have to take my word for that. You
19 can take Mr. Pfaff's word for that.

20 Let's pull up DX-250, please.

21 This is an email that Mr. Pfaff wrote to Mr. Hwang
22 in June of 2011.

23 And here he says there in the highlighted portion:
24 You have changed the world.

25 And he's talking about the H-Pin. And how do we

1 know that he's changed the world? Look at the sentence
2 before that.

3 All the spring pin companies are coming out with
4 stamped spring probes.

5 So not only does HiCon, Mr. Hwang, and Plastronics
6 make these type of stamped spring probes, but all the
7 companies that are in this business are doing that, and
8 you're going to hear testimony this week that there are a
9 lot of companies that make similar parts.

10 You're also going to hear testimony from a
11 gentleman that Mr. Dalton mentioned a few minutes ago, and
12 his name is Paul Schubring. Paul Schubring works at HiCon
13 USA, and he used to work at Plastronics. And before he
14 worked at Plastronics, he was the head of the socket
15 division, the entire worldwide socket division at Intel, who
16 you've probably heard of.

17 He left Intel to come to Plastronics because of
18 the H-Pin. And you will hear him testify that the H-Pin was
19 a game-changer, that it was so revolutionary that he left a
20 very good job at Intel and went to Plastronics.

21 Now, as I said a moment ago, Mr. Hwang invented
22 the H-Pin in Korea before he came to America.

23 Mr. Dalton said in his opening that Mr. Hwang came
24 to Plastronics with a few ideas about this. You're going to
25 learn this week that that's not true. This was a fully

1 formed invention. He had passed it on to his patent lawyer
2 before he left Korea. He had invented it. And there is no
3 dispute in this case that this invention was made by
4 Mr. Hwang.

5 So Mr. Hwang comes to the United States, and he
6 works for Plastronics. And how did he get there?
7 Mr. Dalton mentioned this. Mr. Hwang worked with
8 Plastronics when he was at another company in Korea called
9 MCS. And he did want his kids to come -- he wanted to come
10 to America so that his kids could be educated in America,
11 like people all over the world dream of.

12 And so he's working with Mr. Pfaff, and he's in
13 the same industry, and Plastronics needs good socket
14 engineers, and he asked for a job. And he was grateful to
15 get that job. And this has changed his life and his
16 family's life, and he's very grateful for that.

17 He -- Mr. Hwang will tell you that he thought of
18 Plastronics as his family, in that Mr. Pfaff even used to
19 refer to him as his Korean brother. And because he
20 considered Plastronics to be his family, he wanted to share
21 his prize possession with Plastronics, and that prize
22 possession was the H-Pin invention.

23 So he proposed a deal to Plastronics. And that
24 was this: That he would share his patent rights in America
25 and elsewhere in the world, except for Korea, in exchange

1 for two things.

2 First, Plastronics would pay for the patent
3 applications, and second, and most importantly, Plastronics
4 would pay him a royalty on the sales of all of their H-Pin
5 products and that they would do that until the patents
6 expired, whether he was at Plastronics or not.

7 And I want to make one other thing clear. You
8 will learn that Mr. Hwang didn't come to Plastronics with
9 just one invention from his time in Korea. He came with
10 three inventions from his time in Korea, and he offered them
11 all to Mr. Pfaff. And the only one that they wanted to
12 commercialize or that they wanted to deal in was for the
13 H-Pin.

14 So what did he do with those other two? He did
15 the patent filings himself. These were patents --
16 inventions that he had come up with in Korea on his own.
17 Mr. Pfaff and Plastronics didn't want any part of them. So
18 he handled the patent applications himself. And he would
19 have done the same thing with the H-Pin had Plastronics
20 turned him down on that.

21 Finally, you're going to hear testimony that Mr.
22 Pfaff told Mr. Hwang that these royalties would make him
23 rich, that one day he wouldn't have to work anymore because
24 these royalties would be so lucrative to him.

25 With Your Honor's permission, I would like to go

1 to the easel?

2 THE COURT: You may.

3 MR. EMERSON: Ladies and gentlemen, I'm going to
4 put up a few numbers that are going to tell you a lot about
5 Mr. Hwang, they're going to tell you a lot about the H-Pin,
6 and they're going to tell you a lot about Plastronics.

7 The first number is 90 million.

8 The second number is \$65 million.

9 Third number is 60 percent.

10 Fourth number is zero dollars.

11 This first number, 90 million, that's the number
12 of H-Pins sold by Plastronics.

13 \$65 million, that is the value of the H-Pins and
14 the sockets containing H-Pins that Plastronics has sold.

15 60 percent, the H-Pin invention is responsible for
16 60 percent of Plastronics' business.

17 Zero, this is how much Plastronics has paid to
18 Mr. Hwang over the last 14 years, not a dime.

19 Now, Mr. Hwang always intended, or at least
20 considered the possibility, that one of these days, he might
21 go home to Korea. After all, he came over here as a
22 middle-aged man. Once his kids were established in college
23 and whatnot, he thought he might go home.

24 And that's what he told Mr. Pfaff. And that's why
25 he kept his Korean patent for himself, and that's what the

1 documents say.

2 Mr. Brockwell, would you pull up DX-157, please?

3 Again, for your notes, this is DX-157, and it is
4 an email between Mr. Hwang and Mr. Pfaff while they were
5 negotiating the Royalty Agreement, and during that
6 negotiation, there's a time where Mr. Hwang says: This item
7 contains I have the right I can form my own entity.

8 So he's telling Mr. Pfaff, I can form my own
9 entity later on.

10 And then read the next sentence.

11 Do you remember I promised you I will support you
12 any where or any time? I don't know, but when I have chance
13 to set up my own entity, it will be for me and for you with
14 products.

15 Thanks, Dan.

16 And this tells us something else. Mr. Hwang
17 always intended that if he went back to Korea and started
18 his own company, he wanted to work with Plastronics. He
19 still wanted to work with Plastronics. He wanted to
20 cooperate with them. And you're going to see a lot of
21 documents that show that this week.

22 So why are we here today? Well, we're here
23 because, in 2008, Mr. Hwang resigned from Plastronics to
24 start his own Korean socket company, just like he always
25 said he would do.

1 And this is DX-81. This is Mr. Hwang's
2 resignation letter. And Mr. Dalton touched on some of this.

3 To me and my family, the last three and a half
4 years was really good time and we will keep good memory and
5 miss you and your family and all members of Plastronics.

6 And then at the bottom, he says: This time I am
7 planning to set up my own company in Korea. We can discuss
8 anything for the future. Please let me know when you have
9 time.

10 So, again, he's saying: How can we work together
11 when I go to Korea and start my own company, which will be
12 for products for you and for me

13 And then -- but when he was -- for his obligations
14 to Plastronics, HiCon became HiCon Company, his DBA and his
15 sole proprietorship.

16 So in 2008, Mr. Hwang forms his Korean
17 corporation. As the Court told you, we're going to refer to
18 that as HiCon Limited. The full name is HiCon Company
19 Limited. We're going to try to stick to HiCon Limited.

20 And this will be a key for you, when you're
21 looking at documents and when you're deliberating, is to
22 look for the "Limited." If it says "Limited," it's talking
23 about his Korean corporation. If it doesn't, we're
24 talking more than likely about his sole proprietorship,
25 HiCon. It's sometimes called HiCon Co.

1 And Your Honor has -- His Honor has instructed us
2 to try to refer to that as the DBA or Mr. Hwang doing
3 business as HiCon.

4 So he forms in 2008 HiCon Limited, and he begins
5 trying to sell about a year later into the United States.
6 He does sign up for this BiTS Conference that Mr. Dalton
7 told you about.

8 And after he signed up for this BiTS Conference,
9 Plastronics sued him, as Mr. Dalton told you. And they sued
10 him for licensing the U.S. patent to HiCon Limited.

11 Now, because of the document I showed a few
12 minutes ago, Mr. Hwang believed, and he still believes, that
13 he had every right to start his own corporation, to practice
14 his own invention in his own company -- in his own country.

15 However -- in fact, he still believes that. And,
16 in fact, we're going to ask you at the end of the week to
17 find that the language in the agreement allows Mr. Hwang to
18 use his own corporation to practice these patents.

19 But in 2009 he has a choice. He's been sued by
20 Plastronics. What did he do about this? He can sue back.
21 He can sue back and ask a court to -- to require Plastronics
22 to live up to the terms of the agreement, or he can work
23 with Plastronics to try to resolve this issue.

24 So how does he do that? He asks for consent. He
25 does. He doesn't think he needs it, but he doesn't want to

1 fight. So he asks for consent. And you'll see a number of
2 documents this week that show him asking for consent, very
3 nicely, he's not demanding anything.

4 Here's one of them, and this, I believe, is DX-53
5 for your notes -- if you're taking notes.

6 An email from Mr. Hwang to Mr. Pfaff: HiCon is my
7 company in Korea -- he's referring to the corporation now --
8 and I need to use H-Pin patent licensing. I kind -- I want
9 you kindly to make consent for me.

10 And he asks a number of times, and he never gets
11 an answer. He doesn't get a no. He doesn't get a yes. He
12 doesn't get anything. And so now he's in a bind again.

13 So what does Mr. Hwang do? He consults with his
14 Korean patent lawyer, and his Korean patent lawyer tells him
15 that he can still comply with these agreements. Even under
16 Mr. Pfaff's interpretation, he can still comply with these
17 agreements if he will export outside of Korea using a sole
18 proprietorship.

19 And so that's what he does. He sets up his sole
20 proprietorship, the DBA, which is called HiCon, sometimes
21 HiCon Co. We're going to call it the DBA.

22 So he sets up the DBA, and he starts exporting
23 into the United States. And he explains this to Mr. Hwang
24 [sic]. And even after he sets up the DBA, he still wants
25 consent for his corporation to sell into the United States.

1 Now, why is that? Because as you'll learn later
2 on this week, in order to export into the United States
3 using a sole proprietorship, he has to buy those pins from
4 his corporation, and then sell them. He has to report all
5 of those sales to the Korean government. You're going to
6 see those documents. He has to pay personal income taxes on
7 the net revenues for all of his sales.

8 So he pays personal income taxes on the net
9 revenues of the sales of these H-Pins into the United
10 States. That costs him a lot of money. There's -- it's a
11 lot of headache involved.

12 And so even after he set up the DBA, he said would
13 you please give me your consent. So he explains this to
14 Mr. -- Mr. Pfaff.

15 This is DX-198.

16 And it says: When you give me your consent
17 licensing my patents to HiCon Co. Limited for export, I plan
18 to start export through HiCon Co. Limited and start counting
19 for royalty and still waiting consent from you.

20 I told you it was going to be obvious that English
21 wasn't his first language.

22 Okay. So here's what he's saying: Give me your
23 consent, and I will pay you the royalty. This was over 10
24 years ago, ladies and gentlemen -- I'm sorry, not quite 10
25 years ago. It was October 2009.

1 Had Mr. Pfaff accepted this proposal, he would
2 have been paying royalties to Plastronics on every sale
3 outside of Korea for the last 10 years.

4 Now, I'm just going to point out another thing.
5 He also says, if you look below: Hwang's personal corp --
6 and he here's referring to his DBA -- Hwang's personal corp
7 export to other countries no royalty. HiCon Co. Limited,
8 when you give me consent, start counting for royalty. This
9 opinion, based on the agreement and what I understanding, if
10 you have other opinion, let me know.

11 Well, let's take a look at his response.

12 Here's Mr. Pfaff's response, same day: We have
13 nothing to discuss.

14 He doesn't say: I disagree with you. He doesn't
15 say: You need my permission. He doesn't say: I won't give
16 you my permission. He doesn't say: The DBA doesn't have
17 the right to sell into the United States. He says: I have
18 nothing to discuss.

19 So Mr. Hwang continues to export the H-Pins
20 himself, doing business as HiCon, ever since then.

21 And then after Mr. Hwang has explained to Mr.
22 Pfaff how he has complied under the strictest reading of
23 these contracts, by setting up the DBA and only selling
24 through the DBA at significant expense to him personally.

25 A few months later, Mr. Pfaff dismisses the

1 lawsuit where he had sued Mr. Hwang for licensing the '602
2 patent to his corporation.

3 So you'll learn this week that Mr. Hwang thought
4 at that time, I have fixed the problem. I have explained to
5 Mr. Pfaff how I fixed the problem, and he dismissed the
6 lawsuit. So as far as Mr. Pfaff was -- Mr. Hwang, excuse
7 me, was concerned, the dispute was essentially over.

8 You will see some emails between 2011 and 2017
9 about the parties asking for money, but there's very little
10 of that. Not like in 2009 and 2010.

11 Now, an important issue in this case is who's the
12 real seller? Who actually sells into the United States and
13 elsewhere? And Mr. Dalton told you, as if it were not in
14 dispute, that HiCon Co. Limited makes the sales into the
15 United States.

16 Did he show you a single sales document? A single
17 invoice? Anything that would prove that up?

18 He didn't. And there's a reason for that.

19 We're going to show you a lot of them. And this
20 is just one example. This is DX-285. As you can see, it's
21 an invoice. It says: HiCon. In the upper left-hand side,
22 you see under shipper/exporter from Dong W. Hwang, HiCon.
23 That is the DBA.

24 If you look down in the lower left, you will see
25 HiCon Korean Tax ID 13 -- well, you have the number there.

1 Those numbers are important. You will have the documents
2 that show you those numbers. Those numbers identify which
3 company is doing what, HiCon Limited or the DBA.

4 If you look to the right, who's getting paid?
5 When we sell these products into the United States, who gets
6 paid? The answer is HiCon, the DBA.

7 We'll also show you the bank book from HiCon.
8 That bank book has the same account number that you will
9 find on the invoices.

10 THE COURT: Five minutes remaining.

11 MR. EMERSON: Thank you, Your Honor.

12 We have thousands of those. And don't worry,
13 we're not going to show them all to you, but you'll have
14 the -- the opportunity to inspect them. And if you do,
15 you'll see that every single sale since he set up his DBA
16 has been through HiCon, the DBA.

17 Now, one final document I want to talk to you
18 about, and this is DX-52.

19 Now, we've been selling -- Mr. Hwang has been
20 selling into the United States as HiCon, the DBA, since
21 2009. In the meantime, Plastronics has been selling a lot
22 of H-Pins, 90 million of them, \$65 million worth of them.

23 And still Plastronics hasn't paid a dime to
24 Mr. Hwang. And now we know, through Mr. Pfaff's own words,
25 that he never intended to pay Mr. Hwang anything. This

1 document is called the Korean Conflict. And this is for
2 your notes. It is DX-52. This is a document that Mr. Pfaff
3 wrote in 2011, and it expresses his frustration with
4 Mr. Hwang.

5 And this doc shows that Mr. Pfaff was -- was
6 frustrated that the agreements that he made with Mr. Hwang
7 didn't allow him to do what he wanted. And at the end of
8 the document, he has a few options that he proposes. This
9 document was written for a -- for a business consulting
10 group.

11 The first document is -- the first option is this:
12 Continue as is. Sell more to move studio -- movie studio
13 cost recovery methods and move on.

14 You're going to hear later this week from our
15 expert, Dr. Woods, exactly what movie studio cost recovery
16 methods are. And I'll give you a hint. Cost -- movie
17 studio cost recovery methods are a way of manipulating
18 expenses so that it looks like you're not making any money.
19 That's what Dr. Woods is going to tell you.

20 Number 3, spin off all the H-Pin businesses into
21 an entity and sell at cost to Plastronics as a master
22 distributor, therefore, never worrying about royalties.

23 Well, that's exactly what Mr. Pfaff did just a
24 year later. You heard about H -- Plastronics's H-Pin.
25 That's the entity that he spun the H-Pin business off into.

1 Now, if you can pull up DX-237 quickly.

2 This is an email that Mr. Pfaff sent to his
3 accountant, just a month after the Korean Conflict document.
4 And in this document, he says to his accountant: Need to
5 discuss spinning off the H-Pin business.

6 And his accountant answers back: Ready when you
7 are. How does spin off save cash?

8 And here's Mr. Pfaff's answer. Future royalty to
9 Hwang. Can't control it better.

10 You're going to learn, ladies and gentlemen, that
11 the only reason Mr. Pfaff set up Plastronics's H-Pin was to
12 keep from paying anything to Mr. Hwang.

13 Let's go to Option 6 on DX-52. Here's the final
14 option: Wait him out until he'd completely out of cash and
15 has to sell his IP and block all deals until I get what I
16 want.

17 THE COURT: One minute remaining.

18 MR. EMERSON: Thank you, Your Honor.

19 Would you pull up, please, DX-218?

20 Now, we are going to be asking for some money for
21 Mr. Hwang. We're going to be asking for the fair amount of
22 the royalties he should have been paid since 2014.

23 But let me tell you this. Had Mr. Hwang not been
24 sued in this court, we would not be here. He would not have
25 sued Mr. Pfaff over those royalties.

1 And this document pretty much sums it up. It's an
2 email from Mr. Hwang to Mr. Pfaff on May the 30th, 2013.
3 And he says to David Pfaff: I don't think some royalty
4 money is critical to me, but I think I lost a man who I
5 knew, David.

6 So ladies and gentlemen of the jury, on behalf of
7 Mr. Hwang, on behalf of his family and his company, we thank
8 you for being here. And we look forward to telling you the
9 story this week.

10 Thank you.

11 THE COURT: All right. Counsel, if you'll move
12 the easel back and turn it to a clean sheet, please.

13 MR. JONES: Yes, Your Honor.

14 THE COURT: Does either side wish to invoke the
15 Rule?

16 MR. EMERSON: Yes, Your Honor.

17 THE COURT: Does either side wish to invoke the
18 Rule?

19 MR. EMERSON: Yes, Your Honor.

20 MR. BUNT: Yes, Your Honor.

21 THE COURT: All right. Is the request that the
22 Rule be invoked to include or exclude experts? I assume you
23 want your experts present during the trial?

24 MR. EMERSON: Yes, Your Honor.

25 MR. BUNT: Yes, Your Honor.

1 THE COURT: All right. The Rule has been invoked,
2 excluding experts. That means if you are a fact witness in
3 this case, not a corporate representative or a party, not an
4 expert witness, then you must excuse yourself from the
5 courtroom until the time you're called to the witness stand.

6 Expert witnesses may remain. Parties and
7 corporate representatives may remain.

8 All right. Ladies and gentlemen, you've heard the
9 opening statements from both Plaintiffs and Defendants.
10 We'll now proceed to the Plaintiffs' case-in-chief.

11 Plaintiffs, call your first witness.

12 MR. BUNT: Your Honor, we would call Mr. David
13 Pfaff.

14 THE COURT: All right. If you'll come forward and
15 be sworn, please, sir.

16 (Witness sworn.)

17 THE COURT: If you'll come around, sir, and have a
18 seat on the witness stand.

19 MR. BUNT: Your Honor, may I approach the
20 witness?

21 THE COURT: You may approach the witness.

22 MR. BUNT: Your Honor, may I approach the witness
23 one more time? I apologize.

24 THE COURT: You may.

25 MR. BUNT: Mr. Pfaff, is the circuit board up

1 there beside you?

2 THE WITNESS: No, it's not.

3 THE COURT: And you may approach the witness
4 again, even though you said it was the last time.

5 MR. BUNT: I apologize, Your Honor.

6 THE COURT: All right. Let's proceed.

7 MR. BUNT: Thank you, Your Honor.

8 DAVID PFAFF, PLAINTIFFS' WITNESS, SWORN

9 DIRECT EXAMINATION

10 BY MR. BUNT:

11 Q. Mr. Pfaff, would you introduce yourself to the jury,
12 please, sir?

13 A. I'm David Wayne Pfaff.

14 Q. And where do you live?

15 A. I am born and raised in Irving, Texas, and still live in
16 Irving, Texas.

17 Q. Are you a married man?

18 A. I'm married 18 years to Sharon, and we have two
19 children, 16-year-old Andrew and 13-year-old Kate.

20 Q. And can you tell the jury where you work?

21 A. I work at Plastronics Socket Company.

22 Q. And what is your job title there?

23 A. Managing partner.

24 Q. In addition to your work at Plastronics and Plastronics
25 H-Pin, do you serve on any civic or community organizations?

1 A. Yes. I'm the head of legislative advocacy affairs to
2 the Irving-Las Colinas Chamber. I'm also the incoming
3 president for next year for the Irving-Las Colinas Chamber.
4 Very active in the Boy Scouts since my son was in first
5 grade. I'm a wood badge and Eagle Scout coach and Assistant
6 Scout Master in Troop 730 in Dallas. Also president of the
7 La Buena Vida Foundation in Irving, which we help local
8 youth out with homelessness.

9 Q. Can you tell the jury what Plastronics Socket Partners
10 does?

11 A. Yes. You kind of got a little sample here during the
12 opening statement as you were getting to listen in. We make
13 connectors that computer chips will go into for testing, and
14 I'll show you that -- this a little bit more in a minute.

15 Q. Why do semiconductor or chip companies have to test
16 their computer chips?

17 A. Right. So your chip is a very complex part, and it
18 needs to be tested multiple times through the process. It
19 goes to a wafer test, to a functional test. We specialize
20 in what's called a burn-in test. And the way I describe it
21 is if I put you in a sauna on a treadmill going 20 miles an
22 hour and put you in there for four hours and made you run
23 and you didn't die, we know you're good for another 20
24 years. So this is a very high-level stress test on a chip
25 that really takes off the first year of its life. So you

1 know the -- the early failures are gone, and it ends up
2 lasting for another 20 years. So it's called a bathtub
3 curve. So you get failures at the beginning, and, of
4 course, end of life failures. And that's what burn-in
5 testing is.

6 Q. Does Plastronics perform the burn-in testing or any of
7 the testing on the chips?

8 A. No. So a good example is Texas Instruments. So Texas
9 Instruments is a good customer in Dallas. They'll have --
10 either internally they'll be doing these tests or they're
11 outsources to testing houses that are around the globe,
12 depending on where they make the products.

13 Q. So what is Plastronics's role in the testing of computer
14 chips?

15 A. So we make the -- we make the connector. So all these
16 connectors are custom for every chip. So every new chip
17 that TI comes with, they're going to be in a custom
18 connector to make it. Sometimes they need 80. Sometimes
19 they need a few thousand. So we never know how much -- how
20 much testing they're going to do.

21 Q. And are the chips that we're talking about being tested,
22 do these go in products that the jury would be familiar
23 with?

24 A. Yes, computer screens, your cars, automotive.
25 There's -- there's a whole host of different applications.

1 Your cell phones are full of 20 of these chips, so there's a
2 lot of chips -- computer chips throughout the -- almost
3 everything we touch every day.

4 Q. And can you give the jury a little more information on
5 what a socket is?

6 A. Yes. The socket makes a connection between -- the chip
7 goes into the socket. The socket to the circuit board.
8 Circuit board to a test equipment. So the test equipment is
9 out here, connected here, running the electrical signals
10 into the socket.

11 Now, what we do in the socket here is let's say
12 you're in a production environment and you're making
13 thousands of chips. Well, you can't test them all at the
14 same time, so you'll put as many chips as you can in your
15 board, test them, take them out, and then take those chips
16 out and send them to your customer.

17 In your cell phone, if you cracked it open -- and
18 this might get a little boring on the technical side, but on
19 your cell phone, if you crack it open, there will be a
20 circuit board in there with all the chips.

21 Those chips are soldered. So that's almost like a
22 permanent gluing, melting the metal on there to make the
23 chips permanent on there. This connector allows you to test
24 them, temporarily put it in there for testing, then take it
25 back out, then ship it to the customer.

1 So it's not a soldering process; it's a connection
2 process that's temporary, kind of like the wall plug. You
3 can take a lamp, go plug it in, see if it works, check it
4 out, and then unplug it and put it somewhere else rather
5 than like your light fixture on the wall, which is wired in,
6 and you really can't take it out. It's kind of a similar
7 type of thing with a connector.

8 MR. BUNT: Ms. Bowron, can we have Slide No. 1,
9 please.

10 Q. (By Mr. Bunt) Mr. Pfaff, can you tell the jury what
11 we're seeing on this?

12 A. Yeah. So this would be a typical socket from us. You
13 open up the socket. Inside are the contact pins, and that
14 would be, let's say, a computer chip from Intel.

15 Q. Okay. And who --

16 A. Pardon me. I cut myself on my circuit board here.

17 THE COURT: Let's do this, ladies and gentlemen.
18 Let's take a brief recess. We'll get Mr. Pfaff a Band-Aid,
19 and we'll continue in a moment.

20 As you return to the jury room, you can simply
21 close and leave your notebooks in your chairs. I don't
22 expect this to be a long -- a long recess, and follow all my
23 instructions, including not to discuss the case among
24 yourselves.

25 With those instructions, the jury is excused for

1 recess.

2 COURT SECURITY OFFICER: All rise.

3 (Jury out.)

4 THE COURT: You can step down, Mr. Pfaff. And if
5 you can find a Band-Aid or something to stop that bleeding,
6 that will be fine.

7 And while he's doing that, let me talk to counsel
8 for a minute.

9 I really don't want to have people ask me about
10 placement of easels and standing beyond the podium and
11 demonstrating things to the jury on the fly for the first
12 time as I sit up here with the jury in the box.

13 If you want to be more than an arm's length from
14 the podium or if you want to use something besides your
15 notes at the podium, ask me about it in advance, outside the
16 presence of the jury, where I have an opportunity to fully
17 understand what you intend to do.

18 Mr. Emerson, you asked me if you could show those
19 to the jury, and you stood there 10 minutes and lectured
20 about them. That was a whole lot more than showing them to
21 the jury. If you had raised this with me in advance and
22 outside the presence of the jury, we could have talked at
23 greater detail about what you intended.

24 One thing I don't like are surprises. So, if you
25 want to be more than one arm's length from the podium

1 through the rest of this trial or if you want to use that
2 easel and put it somewhere outside of the immediate
3 proximity of the podium so that you can be within one arm's
4 length, I want to hear about it in advance. I want to hear
5 about it outside the presence the jury so that there's an
6 ample opportunity to discuss what you really have in mind,
7 okay?

8 MR. EMERSON: I understand, sir.

9 THE COURT: All right. Have we got a Band-Aid?

10 THE WITNESS: We do. Thank you, Your Honor.

11 THE COURT: One other thing before we take a short
12 recess ourselves, and then I'll bring the jury back in,
13 Mr. Pfaff you are going to have to slow down. I'm sure this
14 is something you don't do every day, and you may be a little
15 nervous, but you are talking way too fast.

16 THE WITNESS: Yes, sir.

17 THE COURT: If you'll talk as slow as Mr. Bunt,
18 I'll be happy.

19 THE WITNESS: Thank you, Your Honor.

20 THE COURT: All right. We're going to take a
21 five-minute recess, and then we're going to return.

22 The Court stands in recess.

23 COURT SECURITY OFFICER: All rise.

24 (Recess.)

25 COURT SECURITY OFFICER: All rise.

1 THE COURT: Be seated, please.

2 All right. Mr. Pfaff, you may return to the
3 witness stand.

4 Mr. Bunt, are you prepared to continue with your
5 direct examination?

6 MR. BUNT: Yes, Your Honor.

7 THE COURT: All right. Let's bring in the jury,
8 please.

9 COURT SECURITY OFFICER: All rise.

10 (Jury in.)

11 THE COURT: Welcome back, members of the jury.

12 Please be seated.

13 All right. We'll continue with the direct
14 examination of Mr. David Pfaff by the Plaintiffs.

15 Mr. Bunt, you may continue.

16 MR. BUNT: Thank you, Your Honor.

17 Q. (By Mr. Bunt) Mr. Pfaff, who buys sockets from
18 Plastronics?

19 A. You have semiconductor companies, such as TI, Intel,
20 nVidia. Also military customers, when they're doing their
21 testing, people like Raytheon, Lockheed, Fluor. We sell to
22 medical device companies that need to do any burn-in to make
23 sure their -- the chips that goes in pacemakers and things
24 like that.

25 Those are the direct customers that would be

1 buying sockets from us. The indirect would be people at
2 maybe TI or one of these companies asked to do their
3 testing, so -- or a circuit board company that has test
4 equipment.

5 So there's two different routes. A majority of
6 the time we sell directly to the device manufacturers like
7 TI or Intel.

8 Q. And what are these Plastronics sockets made?

9 A. So 100 percent of the sockets that we -- we make and
10 ship are coming out of Irving, Texas. So we have a tool and
11 mold shop there. We have an assembly plant. We have
12 automation or engineering staff. So everything is still
13 done in Irving, which, I think, we're one of the last
14 burn-in socket makers in America.

15 Q. And what are these pins that we've heard about?

16 A. The pins is the H-Pin. I think they covered it quite
17 well in the -- in the opening to be -- to be frank.

18 Q. Okay.

19 A. But I can -- I have some samples here, too.

20 Q. All right. So --

21 MR. BUNT: Let's go to Slide No. 2, if we can,
22 Ms. Bowron.

23 Q. (By Mr. Bunt) Can you tell the jury what this shows?

24 A. This is the patent. So you're going to see an upper
25 contact, a lower contact, and a coil spring. So this would

1 be a three-piece contact system.

2 Q. And do you have a model of the H-Pin similar to what
3 Mr. Emerson was using? Do you have it up there?

4 A. Yes.

5 Q. And could you show that to the jury?

6 A. Mine is a little bit smaller, but --

7 Q. Okay. And then how does that fit together?

8 A. So very similar to what y'all saw before, three
9 components, coil spring comes on top, goes there, and then
10 the -- the second component comes in, and these snap lock
11 together, so it's a retain spring pin.

12 Q. Now, do you have any of the actual size pins up there
13 with you, as well?

14 A. Yes. So this is the biggest one we make, and there's
15 about -- in terms of hairs, that's about 10 hairs thick, so
16 10 hairs in diameter. This is the smallest one we make, and
17 it's about three hairs in diameter. And they all look very
18 similar to this.

19 Q. So all of those pins have an upper part, a lower part,
20 and a spring?

21 A. Yes.

22 Q. And then roughly, how many are -- that vial that has the
23 smallest pins in it, roughly -- the other one?

24 A. This is about 5,000 pins.

25 Q. And then how many pins do you think are in the other --

1 A. About 15,000.

2 Q. All right.

3 A. So very tiny.

4 Q. So what sort of customers need H-Pins?

5 A. So if -- if you look at the market in general --

6 THE WITNESS: And I'll be careful this time so I
7 don't get anymore blood everywhere, Your Honor.

8 A. These sockets are made for every chip, and there's
9 sockets all over the place. Most sockets in the -- in the
10 burn-in environment are a single piece stamping. So if I
11 took this and just said, you know, we had a little one-piece
12 like this that has a little -- that could like buckle,
13 that's the majority of the market, and I'd say a big
14 percentage of it.

15 The issue with the single piece that's doing the
16 buckling is you can't carry a lot of amperage through it.
17 So what customers would need an H-Pin? Customers that have
18 a high amperage part, so maybe a processor or a starter in
19 an automotive -- automobile.

20 The other thing is that we can make these a lot
21 more tiny, and -- than a little C-beam because you've got a
22 lot of room with a C-beam. So when they make them tiny,
23 they can carry a lot more frequency. So you hear of
24 automotive 5G, 4G, and 3G. As these things happen, what's
25 happening is the frequency is going faster and faster, so

1 the signal speed needs to get to the chip faster.

2 So it's really a specialized pin that does a lot
3 of -- a lot of performance. We can never cost compete with
4 a single stamping, though. Single stampings will always be
5 cheaper because it's one piece versus three piece and an
6 assembly process to get all these together.

7 So -- so that's kind of the -- that's kind of the
8 burn-in socket contact world.

9 Q. So not all customers need H-Pins?

10 A. No, they don't.

11 Q. But the ones who do, they have to have them; would that
12 be fair?

13 A. That'd be a -- a fair assessment.

14 Q. So does Plastronics Socket Partners make H-Pins?

15 A. No, Plastronics H-Pin Company does.

16 Q. And then how do those H-Pins get from Plastronics H-Pins
17 to Plastronics Sockets?

18 A. They're sold.

19 Q. And then what does -- does Plastronics Sockets sell the
20 H-Pins loose, or does it put them in sockets? Or how does
21 that work?

22 A. Sometimes they'll buy -- they'll buy big volume and then
23 break them down and sell them loose, but majority of the
24 time, they're in sockets shipped out the door.

25 Q. And does Plastronics sell any third-party sockets?

1 A. Not anymore.

2 Q. How long does the sales process for one of these H-Pins
3 take?

4 A. So if it's something that we have tool and ready to go,
5 it could be a matter of weeks. If you came to us and said,
6 we want a new H-Pin and we need this volume, it could take
7 anywhere from four months to 18 months to get a brand new
8 one out the door. There's a lot of complexities into making
9 a new H-Pin.

10 Q. Turning back to the background of Plastronics, when was
11 it founded?

12 A. 1983, by my mom and dad.

13 Q. And how was it that they got involved in the socket
14 business?

15 A. So my dad, back in the '70s, was doing work for TI,
16 making automation equipment that would load sockets.
17 Different back -- back in the '70s. So he made -- he made
18 equipment that loaded it.

19 And 1980, sold that automation company, and kind
20 of was sitting there and knew a bunch of guys at TI, and
21 they came over and said, hey, we've got these sockets, can
22 you make a better socket for us?

23 So in 1983, he's like, okay, I'll make a better
24 socket. My mom was at the time a retired math teacher from
25 high school. So she did the books, my dad did the

1 designing, and they outsourced the manufacturing and just
2 kind of -- kind of grew from there.

3 Q. And when did you join the company?

4 A. I graduated from college in '92 and came back and worked
5 for two years doing a lot of sales work and marketing work
6 for -- for my dad and then went to graduate school -- to UT
7 from '94 to '96.

8 Q. And what were you studying there?

9 A. I got my MBA. And the last semester while I was getting
10 my MBA, two other classmates and I were in the small
11 business entrepreneurship class. We learned accounting and
12 marketing for small business. And we had a project that you
13 take a small business and say, okay, what can you do -- can
14 you write a full business plan for these business owners
15 that don't have the -- just need a little help.

16 So we picked Plastronics. And at the time, I
17 think it was doing about one -- \$1.2 million, you know, good
18 little company. So we wrote a business plan that covered
19 the marketing, the strategy, the product development, the
20 target markets, and all these -- all these things that you
21 see in a real good business plan. And once I graduated, of
22 course, I worked with my dad on it. Said: Hey, dad, you
23 know, let me -- let me run with this and go start making
24 this business plan happen.

25 Q. And did you do that -- or did he let you do that?

1 A. Yes.

2 Q. And so you returned to the company in 1996?

3 A. Yes.

4 Q. And at what point did you become head of the business?

5 A. Well, my dad, in 2001, got colon cancer. That slowed
6 him down a lot, so I started taking over a lot more of his
7 roles. And then officially in 2009, when the heart problems
8 started.

9 Q. Is Plastronics a public -- publicly-traded company?

10 A. No. It's still a family company today.

11 Q. And when you first joined Plastronics, about how many
12 employees were working there?

13 A. Approximately 15.

14 Q. And how many are there now?

15 A. 97 here. And we opened -- we have a two-man shop in
16 Singapore to take care of our customers, and one person in
17 Taiwan to help out there, also.

18 Q. How did you first meet Mr. Hwang?

19 A. So if we go back to 2001, 2000 time period, I met a
20 company called MCS, which was a Korean company at one of the
21 trade shows. So this Korean company -- and I talked about
22 that business plan we wrote. We were really concentrating
23 on microcontrollers and processors, really things that were
24 done here in the U.S.

25 Memory had moved overseas for the most part. So

1 they were a very good little memory socket company. And one
2 of my sales guys said: Hey, why don't you look and see if
3 you want to partner with them to bring their memory sockets
4 to America and we can add on a distribution-type of business
5 with them.

6 So met with them, got a relationship, started
7 doing that, started selling little bits of memory sockets
8 here and there. And we had a customer that -- in -- in
9 Germany called Infineon, which is one of the bigger
10 semiconductor manufacturers in -- in Germany. And we had
11 a -- a pretty good relationship with them on some products
12 we were doing. And they had asked us, can you see if you
13 can get our memory products into -- because they had a
14 memory division still in Germany.

15 So we said, yeah. And this was 2003 time period.
16 I flew over there. And they sent Mr. Hwang, who was their
17 chief engineer at MCS. So this is a Korean company. So
18 that's where we met.

19 Q. How was it that he came to be employed by Plastronics?

20 A. So we went, saw Infineon, made the -- you know, the
21 sales pitch like we do all the time everywhere. And went to
22 dinner that night. And Mr. Hwang says: You know, I want to
23 come work for you in America and get my kids educated in
24 America. And I'm like, okay -- and this is over dinner. He
25 said: I've got some ideas. I've got some ideas.

1 And I said: Okay. Okay. But, you know, I'm a
2 partner with your company. I'm not touching this thing
3 until you talk to Mr. Yang about this. Mr. Yang is the
4 owner of MCS. So I said: You've got to talk to Mr. Yang
5 about this because I don't poach partner employees, and
6 nothing's going to happen unless Mr. Yang gives approval.
7 So that's where that started.

8 Ended up, he went back and talked to Mr. Yang.
9 And he either emailed me or Mr. Yang emailed me. I said:
10 You know, this is -- this is kind of weird. You know, the
11 chief engineer coming over to America and all these things.
12 And said: Mr. Yang, you know, I'm going to come over to
13 Korea and meet with you face-to-face to make sure this is
14 okay. And I don't want any ill blood.

15 So I flew over to Korea for a day just to meet
16 with Mr. Yang and make sure everything was okay, that, you
17 know, his chief engineer is coming over. And even Mr. Yang
18 says: You know, okay. You know, we need him. And will you
19 let -- will you let him work on a project for me at least
20 when he gets there if we need help.

21 And I'm like, you know, absolutely, because we're
22 partners in some products. And I said: Yes. I'll let him
23 work -- finish any projects you need or any help, so we --
24 we did that.

25 Q. So did Mr. Hwang mention to you at that meeting in

1 Germany his idea for an H-pin?

2 A. Yeah, in -- we're at dinner so it's -- gets a napkin out
3 and draws a -- what -- a rudimentary drawing of the H-Pin.

4 Q. And what did you think about the idea?

5 A. So just like I said, a majority of the market then and a
6 majority of the market today is a single stamp contact. So
7 it's a single piece that you can make in volume, and it's
8 much cheaper than a three-piece contact.

9 So I told him, you know, it's an interesting idea.
10 Don't see a lot of three-piece contacts out there. Don't
11 know if there's a market, but, you know, it's an interesting
12 idea.

13 Q. And did he have a patent on the idea at the time?

14 A. No, he did not.

15 Q. So did you hire Mr. Hwang because of the H-Pin idea?

16 A. No. Going back to our industry and -- you know, we are
17 one of the last in America -- most of our industry had moved
18 overseas, even in the mid-2000s. So the whole business
19 overseas, a lot of the connector companies and the engineers
20 were -- were either old or retired or they transferred a lot
21 of their design over to Asia.

22 So I'm always struggling to find senior engineers.
23 So anytime I have a senior engineer that knows what they're
24 doing, my ears are perked up.

25 And the biggest reason was Mr. Hwang was the chief

1 engineer at MCS, and I knew he knew how to design a socket.

2 Even today, we have -- we have three senior
3 engineers, but if we get interns and hire fresh out of
4 University of North Texas from their engineering department
5 and we have to train them. And that takes two, three, four
6 years to train our engineers to get up to a point where
7 they're doing new designs and things like that, rather than
8 prints and checking and things like that. So anytime I see
9 a senior engineer, it's a very big deal.

10 Q. So what steps did you take to hire Mr. Hwang?

11 A. So the first step, as I told you, I flew over and met
12 Mr. Yang, and then got that approval. And then at that
13 point was getting Mr. Hwang a green card.

14 So we hired a law firm to get his green card,
15 which takes awhile. So I don't know if four months, six
16 months, whatever that -- so -- and his whole family was
17 moving over here. So we've got to find a place for him to
18 live, a temporary apartment, going to a house, and all this.
19 So I hired a consultant that specializes in bringing expats
20 over. So the consultant looks at, you know, the living
21 arrangements, all these things that we don't think about --
22 you know, get a driver's license, turn on electricity, and
23 -- you know, just making sure it's a smooth transition for
24 him to come over here.

25 Q. And did you help co-sign on a car note for Mr. Hwang?

1 A. Yes. So Mr. Hwang didn't have any credit in the United
2 States, so I -- when he wanted to get -- get a car, I
3 co-signed on a note to make sure he got a -- you know, got
4 credit and a low interest rate and he wasn't -- and I looked
5 over documents to make sure there wasn't any problem.

6 Q. So what was Mr. Hwang's job title when he came to work
7 at Plastronics?

8 A. We made him -- the job title of chief technology
9 officer.

10 Q. And did he receive a salary when he came to Plastronics?

11 A. Yes, he did.

12 Q. And roughly how much money was that?

13 A. I believe it was a hundred thousand dollars.

14 Q. And did he receive 401-K and health benefits and other
15 things like that?

16 A. Yes. And, in fact, my toolmakers, my assembly people,
17 everybody in our company has got -- gets 401-K and health,
18 so we -- we do that for all our employees.

19 Q. So did Mr. Hwang file a patent application for his H-Pin
20 idea in Korea after leaving MCS?

21 A. I know the filing date was October 6th, 2004, and he
22 joined Plastronics October 1st, 2004.

23 Q. And what was Plastronics working on when Mr. Hwang came
24 onboard?

25 A. We were working on another socket that had a single --

1 single piece -- one that stamping is actually a -- wound --
2 wound single piece, but it's still a single piece, for a new
3 specialty project that we were working, I think, with Intel
4 at the time. We're always working on projects for various
5 companies at all states. TI's got projects, six or seven
6 for us all the time, so we're always working on projects.
7 And that was the one I think we put him on first.

8 Q. At what point did he ask for help in filing a U.S.
9 patent for the H-Pin?

10 A. I think it was, you know, around August -- July, August
11 2005 that really started getting heated up because one
12 interesting thing about that Intel project was it was a very
13 low inductance. So this goes back to the electrical signal.
14 So we needed a very low inductance pin, and it's very tough
15 to do that in a single stamping. So that was kind of --
16 this might be an interesting concept to go explore.

17 Q. So if Mr. Hwang had already filed for a Korean patent
18 application, why do you think he wanted to bother with a
19 United States patent?

20 A. Well, Korea patent just covers Korea. United States
21 would cover United States, and plus, you could -- what's
22 call PCT is where you spread it out around the world. So
23 that was one of the big reasons why.

24 Q. Did Plastronics agree to assist Mr. Hwang with the U.S.
25 patent application?

1 A. Yes. As long as we had a Royalty Agreement and an
2 Assignment Agreement done, we did.

3 Q. And was the U.S. patent application just a matter of
4 hauling off and filing a patent application, or was there
5 more to it than that?

6 A. No. You got -- you have to get a patent prosecutor.
7 You got to do the filings. And then once you do that, you
8 got to file around the world, so it's -- not super time
9 consuming, but it's costly. So we spent all the money doing
10 that for the patents.

11 MR. BUNT: Ms. Bowron, could you pull up Slide No.
12 3?

13 Q. (By Mr. Bunt) And, Mr. Pfaff, can you tell the ladies
14 and gentlemen of the jury what this is -- this is a picture
15 of?

16 A. Yeah. This is a Royalty Agreement.

17 Q. And we've got it marked as Plaintiffs' Exhibit No. 30.
18 Is that the entirety of the agreement that we've got up
19 there in front of you?

20 A. To be frank with you, this is so blurry, I'm not sure if
21 it is. But I would assume if it's the right exhibit.

22 Q. And do you recall it being a page -- about a page and a
23 half, this document?

24 A. Yes, sir.

25 Q. All right. Was this entered before the U.S. patent

1 application was filed?

2 A. Yes. Patent application was filed on October 1st. And
3 this was September 24th.

4 Q. And who wrote the agreement?

5 A. Well, Mr. Hwang wrote the first draft, which basically
6 it was all about him. So I said: Now I need to put
7 language in there that's going to protect Plastronics.

8 Q. Why did Plastronics want this Royalty Agreement?

9 A. So it had a few things in there. It had what the
10 royalties would be. It would have what the parties agreed
11 to. And also the -- part of the licensing portion of it.

12 Q. How long did it take to negotiate the agreement?

13 A. I think it was about two weeks, if I recall correctly.

14 Q. And was there a deadline coming up from Mr. Hwang with
15 filing a U.S. patent application?

16 A. Yes. The -- anytime you file a patent anywhere around
17 the world, that becomes -- and don't hold me to these legal
18 terms -- prior art, so you've got a year to file a patent
19 from the time you file it to get other patents around the
20 world. So you've got to do it within a year.

21 Q. So at this point in time when you were negotiating the
22 royalty agreement, were you a hundred percent certain that
23 Plastronics could successfully make H-Pins?

24 A. I had no certainty at all because you're talking about
25 components that are tiny. We have to be able to make them

1 in volume with the commercialization of it. So you're going
2 to have to have -- find some way to assemble a lot of pins
3 together, and the features.

4 So if we go back in time to 2005, this was a big
5 pin. We were looking at a pin that was half this size to
6 start with. So it was about three times that size, about
7 half that size, and that was the starting point for the
8 program we needed to hit at Intel.

9 MR. BUNT: Ms. Bowron, could you pull up Slide No.
10 4?

11 Q. (By Mr. Bunt) And this is, again, the Royalty
12 Agreement. And can you read Paragraph 1 of the Royalty
13 Agreement for the ladies and gentlemen of the jury?

14 A. The whole paragraph or the highlighted?

15 Q. Let's -- let's go ahead and read the whole paragraph.

16 A. Okay. Background. Mr. Dong W. Hwang, a resident of
17 South Korea, current employee of Plastronics Socket
18 Partners, and an H1-B holder in the USA, patented an
19 invention in South Korea on October 6th, 2004, hereby known
20 as the H-Pin Project. PSP will pay for the development of
21 this invention and worldwide patent rights where needed and
22 be assigned the patent in all worldwide areas jointly with
23 Hwang except Korea.

24 Q. And what was your understanding of what this provision
25 meant?

1 A. That, oh, Plastronics and -- and Hwang would file
2 patents worldwide, and PSP will pay for the development and
3 be assigned the patent rights.

4 Q. And would both parties have worldwide patent rights?

5 A. Yes.

6 Q. And would both parties be assigned the patent throughout
7 the world except in Korea?

8 A. Yes.

9 Q. And did you understand that this -- to mean that you
10 would not be selling H-Pins in Korea?

11 A. Correct. Yes.

12 Q. And what invention is being discussed in this paragraph?

13 A. The -- the H-Pin.

14 Q. All right. And was that -- at that time, had that been
15 disclosed anywhere other than in the Korean patent
16 application?

17 A. That was the only place it was.

18 Q. Did you understand this provision to mean that Mr. Hwang
19 could do anything he wanted with the Korean patent in Korea?

20 A. You got to look -- look at the whole contract because
21 down in 5, we made sure that he can't license a company. So
22 patent ownership and licensing are two different things.

23 Q. All right. So let's move to the next slide, Slide No.
24 5, which is, I believe, Paragraph 3 of the Royalty
25 Agreement.

1 And what was your understanding of this paragraph?

2 A. So this would be -- if Plastronics sold things, they
3 paid 3 percent of gross sales on the inventions that are
4 patentable after all non-recurring costs, which include all
5 the stamping tools, all the tooling equipment, all the
6 assembly equipment, the test equipment, and patent costs,
7 were all paid for.

8 Q. All right. So that has to do with royalties that would
9 go toward Mr. Hwang, correct?

10 A. Yes.

11 MR. BUNT: And then let's show Slide No. 6, which
12 I believe is Paragraph 4.

13 Q. (By Mr. Bunt) And can you tell the ladies and gentlemen
14 of the jury what this provision was for.

15 A. Yeah. So this is remuneration to Plastronics. So this
16 is the part where Plastronics gets paid.

17 So in the event the patent royalties are paid by a
18 third party -- so if I can stop there real quick, this is if
19 we go license -- Tyco is the biggest company in the
20 connector world, so let's say Tyco comes and does a royalty,
21 and whatever the royalty rate is, Plastronics and Hwang will
22 split that royalty 50/50. So this is an outside company.

23 So the second portion of this: In the event Hwang
24 works directly for a different entity, Plastronics Socket
25 Partners will be entitled to 1.5 percent of royalty, and

1 Hwang can keep 1.5, of gross sales of patented products from
2 the H-Pin Project from this entity.

3 So if Hwang works directly for another entity, PSP
4 will be entitled to 1.5 percent of royalty, PSP and Hwang
5 will split the royalty 50/50 respectfully of gross sales of
6 patented product from the H-Pin Project from this entity.

7 MR. BUNT: And then if we can pull up Slide No. 7,
8 which is Paragraph 5 to the royalty agreement, and it's
9 listed at the bottom.

10 Q. (By Mr. Bunt) Can you read that whole paragraph for us,
11 please, sir?

12 A. Yes.

13 Licensing the H-Pin Project patent rights.
14 Neither PSP or Hwang can grant a license for the patents
15 covering the H-Pin Project without the approval from the
16 other party.

17 Q. And what was your understanding of what this provision
18 meant?

19 A. That neither Plastronics nor Hwang can license this
20 patent to anybody, period.

21 Q. And how do you know -- and how do you know that this
22 refers to the Korean patent?

23 A. The Korean patent was the only patent where it's
24 referenced in the Royalty Agreement.

25 Q. And did both you and Mr. Hwang sign the agreement?

1 A. Yes.

2 Q. After the agreement was entered, what steps did
3 Plastronics take to obtain these international patents that
4 you discussed?

5 A. So filed the U.S. patent and then had patent attorneys
6 in all the countries that -- and we really kind of followed
7 where Texas Instruments was doing all their business because
8 they're in the Germany and the Philippines and Taiwan and
9 China. So we filed patent licenses in most of those
10 countries, Japan. So we filed patents all over there.

11 Q. Who paid for the lawyers to file these patent
12 applications?

13 A. Plastronics.

14 Q. And did Mr. Hwang pay for any portion of those fees?

15 A. No.

16 Q. Has Plastronics paid maintenance fees on the upkeep of
17 all these patents?

18 A. Every time they come up.

19 Q. And has Mr. Hwang or HiCon Limited ever paid for the
20 maintenance of the '602 patent -- of the '602 patent?

21 A. No.

22 MR. BUNT: So if we can go to the next slide,
23 Slide No. 8.

24 Q. (By Mr. Bunt) Can you tell the ladies and gentlemen of
25 the jury what this agreement is?

1 A. So this is the Assignment Agreement. This first one
2 will say the Royalty Agreement. This will be the Assignment
3 Agreement. This is where the legal assignment goes.

4 MR. BUNT: And for the jury's benefit, this is
5 Exhibit -- Plaintiffs' Exhibit 16.

6 Q. (By Mr. Bunt) So do you recall when this -- this
7 agreement was entered?

8 A. I believe October 4th is the date that they signed it.

9 MR. BUNT: And if we can go to Slide No. 9,
10 Ms. Bowron.

11 Q. (By Mr. Bunt) If we look at the second paragraph of the
12 Assignment Agreement -- and, again, the jury will have the
13 entire document in front of them, if they want to see it,
14 but the second paragraph, who is listed as the assignees,
15 the folks who are being assigned the patent under this
16 agreement between Plastronics and Mr. Hwang?

17 A. Dong Weon Hwang, an individual, and Plastronics Socket
18 Partners, the Texas Limited Partnership.

19 MR. BUNT: And then if we can go to Slide No. 10.

20 Q. (By Mr. Bung) This next paragraph that begins: Now,
21 therefore, and the highlighted portion, can you read the
22 highlighted portion?

23 A. Right.

24 I do hereby sell, assign, and transfer one-half,
25 50 percent, each unto said assignees, their successors,

1 assigns, and legal representatives the full and exclusive
2 right, title, and interest in and to said invention and in
3 and to said application and all patents which may be granted
4 therefor.

5 Q. So was it your understanding that Mr. Hwang and
6 Plastronics were receiving each 50 percent of the patents?

7 A. Yes.

8 Q. So --

9 MR. BUNT: Then if we could go to Slide No. 11,
10 Ms. Bowron.

11 Q. (By Mr. Bunt) The last paragraph, I believe it's
12 highlighted. Would you mind reading the highlighted
13 portion?

14 A. The assignees do hereby jointly agree not to transfer
15 any interest in or license the invention disclosed in said
16 application in the United States and throughout the world
17 without the written consent of all assignees.

18 Q. Why was this provision important to Plastronics?

19 A. Well, when you're going to develop a project, you don't
20 want to be competing with the world on a patented thing, so
21 it benefited Mr. Hwang and Plastronics to be the assignee,
22 and it benefited Plastronics that Mr. Hwang would be an
23 assignee but no one else could bid.

24 Q. Is the invention that's disclosed in the U.S.
25 application the same as the one that's disclosed in the

1 Korean patent?

2 A. Yes.

3 Q. So after this '602 patent application was filed, did
4 Plastronics start making H-Pins?

5 A. No.

6 Q. Why not?

7 A. So now you got to go figure out how you're going to make
8 it. So, once again, we got three pieces, and we've got to
9 put them together.

10 So these stampings, we use probably the biggest
11 stamper in America. And, as I said, our first one was about
12 halfway between these two that would hit the program target.
13 So we did the drawings, got that, and the stampers in
14 California and -- said: Can you make it? No.

15 So Mike Ramsey, our chief engineer, had other
16 stamping vendors in the U.S., so -- of course, you've got to
17 get non-disclosures with them because you don't want them to
18 share the knowledge, and everything takes a little time to
19 even send them a drawing.

20 So we sent the drawings to another place in the
21 U.S., and they're like no. So we went to MCS, which was
22 what I was talking about, the Korean partner, they had a
23 stamping partner in Japan --

24 THE COURT: Mr. Pfaff, you're going to have to
25 slow down.

1 THE WITNESS: Am I too quick?

2 THE COURT: You're too quick.

3 THE WITNESS: Sorry, Your Honor.

4 THE COURT: It's important for the jury to follow
5 your testimony.

6 THE WITNESS: Okay.

7 THE COURT: It's important to your case for the
8 jury to follow your testimony. So slow down.

9 THE WITNESS: Yes, Your Honor.

10 THE COURT: Let's continue.

11 THE WITNESS: Okay.

12 A. So the stamping in Japan, they said yes. Well,
13 sometimes when a Japanese vendor says yes, they don't really
14 mean yes, but we'll try.

15 So we sent it to them to go try, and it took
16 multiple iterations, over and over. Mr. -- we sent
17 Mr. Hwang -- I don't know how many times over there to sit
18 there and try to figure out how to make the stamping tool to
19 make this stamping correct.

20 So we got through all of that, found a coil spring
21 maker. And, once again, we have to be commercially
22 successful, so -- successful. So we can't go spend a lot of
23 money on these components.

24 So we found a coil spring maker that could meet
25 the price targets we needed for the coil spring. Then we

1 had to put it together.

2 So Mr. Hwang designed a little hand fixture where
3 you could put -- basically make 400 of them per hour in this
4 hand fixture to put them all together. Anytime you do
5 things by hand like that, it's -- there's always some
6 sloppiness and mistakes.

7 So a lot of the pins that came off, you know, we
8 had to weed them out and make sure they work, and it was
9 just a process that took really about a year to -- to get
10 that -- just to get a handmade part made off of stamping
11 dies.

12 Q. (By Mr. Bunt) Well, let me back up just a second.

13 Didn't you have a patent application at this point
14 in time?

15 A. Yes. The patents were all filed.

16 Q. Well, so doesn't that give you instructions on how to
17 build the H-Pin?

18 A. A patent just kind of shows you the prints and how
19 they're supposed to work. They don't tell you how to go
20 find a vendor or find automation or make it commercially
21 successful. They don't tell you anything like that.

22 Q. So how much time -- did you mention that you had a
23 Japanese company that originally told you that they could
24 build part of -- they could stamp part of these pieces?

25 A. Yes.

1 Q. And did that actually pan out, or did you have to go to
2 somebody else?

3 A. It panned out.

4 So the next process was, if we wanted to do this
5 in any volume, we had to automate it. So it was kind of
6 funny. One time Mr. Hwang and I were talking, and he said:
7 David, I think we can get 20 people with the hand fixtures
8 to make a billion pins a year.

9 And I did the math, and I said, you know, 400 per
10 hour times 20 and all this, it's -- that's 72 million.
11 There's a lot of pins, but it's a far cry from a billion
12 pins. So we've got to automate this.

13 So, once again, we go back to our U.S. vendors who
14 had automated a lot of things in our factory already, and we
15 said: Can you put these three pieces together? Two of them
16 said no. Just flat out didn't even want to do it.

17 The other one told us: Yeah, we can do it for
18 \$2.5 million. I'm like, well, that's definitely not
19 commercially viable for us to do a \$2.5 million machine.

20 So we went to a stamper we used for one of our
21 single stampings in Pennsylvania, and I asked the owner: Do
22 you know any really good automation vendors?

23 He's like: Well, we've got one, but they're in
24 Japan.

25 I'm like: Okay.

1 So we talked to the Japanese company, and they
2 said: Okay. We can do it.

3 And it was about 450,000 before all the change
4 kits and everything, and that's the biggest expense I had
5 probably ever seen in Plastronics' history.

6 So I sat down with Mike Ramsey, our chief
7 engineer, and said: You know, Mike, this is a pretty big
8 bet on this thing.

9 And so we ended up doing it, making the bet. And
10 the automation company was awesome. They were just a great
11 company. So they got these pins working together.

12 And then they said: You know, we've got this
13 inspection on every pin coming through this machine now
14 before -- before the assembly, so it's inspected a few
15 times. And that stamping vendor is not really that good.
16 We've got another stamping vendor we'd like you to go try.

17 And I'm like: Oh, great. Now I get to go spend
18 more money on a stamping guy.

19 And that was probably one of the best things we
20 did. We went to the number one stamping company in Japan.
21 They quoted it and made it, and we use them to this day
22 because of their precision and tolerances.

23 I still can't get my U.S. guys to do this. This
24 pin is actually made from U.S. stampings. So my U.S. guys
25 will do the big ones, but they won't do the small ones. So

1 we've probably got the supply chain worked out, and that was
2 about two and a half years.

3 Q. So from start to finish, for Plastronics to come up with
4 a way of building these H-Pins in a cost-efficient manner,
5 it was how long?

6 A. Two and a half years.

7 Q. Okay. And roughly how much did that cost Plastronics?

8 A. So this -- this is -- and we'll talk about accounting
9 later on because it's -- kind of got brought up in opening,
10 too. I'm trying to slow down a little bit.

11 But it was a million dollars in hard cost that we
12 spent. How much time, how much fixturing, how much pain and
13 suffering, you know, it was a lot went into it, a lot of
14 blood, sweat, and tears.

15 Q. Did Mr. Hwang or HiCon Limited pay for any of these
16 expenses?

17 A. No.

18 Q. If the development of the H-Pins had not panned out and
19 Plastronics had not been able to make H-Pins, would
20 Mr. Hwang have been obligated to pay anything back to
21 Plastronics?

22 A. No.

23 Q. If the development of the H-Pins had not panned out and
24 Plastronics had not been able to make H-Pins, would
25 Mr. Hwang still have had his job at Plastronics?

1 A. Yes.

2 Q. So, by the way, do the Plastronics H-Pin products
3 practice the technology of the '602 patent?

4 A. Yes.

5 Q. So when did Mr. Hwang leave Plastronics?

6 A. It was about six months after we finished all this
7 commercialization, and that was October -- or April of 2008.

8 Q. As part of his duties at Plastronics, did he have access
9 to all the research and development that went into building
10 the H-Pins?

11 A. Yes.

12 Q. And as part of his duties, did he have access to all the
13 data about tolerances and manufacturing techniques for the
14 H-Pin?

15 A. Yes.

16 Q. Did Mr. Hwang learn about all the customers who were
17 interested in H-Pin through his employment at Plastronics?

18 A. Yes.

19 Q. Did Mr. Hwang know the general pricing that Plastronics
20 offered for the H-Pin products while he was working for
21 Plastronics?

22 A. Yes.

23 Q. Under the agreement that Plastronics and Mr. Hwang
24 signed, what was your understanding of what Mr. Hwang could
25 do with respect to H-Pin-type products?

1 A. Yeah. So Hwang individually could do H-Pin products,
2 just not assign the -- assign it to anybody.

3 Q. So under your reading of the contract, could he do
4 work -- or could he sell them under HiCon Limited?

5 A. No.

6 Q. When did you first learn that Mr. Hwang might be selling
7 H-Pins?

8 A. So I think it was mentioned in the opening statements,
9 but there's a big show every year in Arizona called BiTS,
10 which is burn-in test sockets, which pretty much hits our
11 industry to a T.

12 So we all show up at the BiTS Conference, but
13 beforehand, you get a pamphlet. I'm not sure if it was
14 online at that point or not, but probably. And I see this
15 HiCon exhibiting H-contacts, and that's the first I learn of
16 it.

17 Q. And how did that make you feel?

18 A. So -- and you've got to look at the time frame of this
19 whole thing. So this is 2000 -- in the 2008 -- probably
20 December/November when this comes out. We had blood, sweat,
21 and tears for two and a half years in trying to
22 commercialize this product and making one size and trying to
23 get another size because not every customer wants a little
24 one. They want a -- you know, it's this product
25 development.

1 And the world is coming to an end. I don't know
2 if y'all remember 2008, that was the greatest recession we
3 were ever supposed to have. Bigger than the depression.
4 And a lot of bad things happened. And I think Lehman
5 Brothers, in 2008, was the -- September, that started this
6 whole thing.

7 So now you're getting into a tailspin of an
8 economy, a macro economy that's going into a tailspin. And
9 I look up and, wow, this guy would develop a product with --
10 now he's coming to America to compete directly with me,
11 directly with Plastronics, directly with all these employees
12 that I'm trying to save in this economy.

13 THE COURT: All right. Counsel, approach the
14 bench, please.

15 (Bench conference.)

16 THE COURT: I'm not going to have this guy sit up
17 here and play the America first, I'm saving jobs, I'm the
18 only one left in America card. He has done that since he
19 got on the witness stand. And I'm going to raise it in
20 front of the jury if he keeps doing it. That's not fair.
21 It's prejudicial. It's not probative, and it has no
22 business in this trial.

23 MR. BUNT: I understand, Your Honor. I'm not
24 asking him questions that elicit that.

25 THE COURT: I know you're not. He's been

1 non-responsive since he got on the witness stand, too. But
2 there haven't been any objections. But that's highly
3 prejudicial --

4 MR. BUNT: I understand, Your Honor.

5 THE COURT: -- and I'm not going to permit it.

6 MR. BUNT: I don't know what you want -- if you
7 want to take a break, I will talk to him.

8 THE COURT: No, no. I'm telling you that if this
9 continues, I'm going to address it in front of the jury and
10 instruct them not to pay any credence to that kind of
11 reference.

12 MR. BUNT: Yes, Your Honor.

13 THE COURT: All right. Let's continue.

14 MR. BUNT: Thank you.

15 (Bench conference concluded.)

16 THE COURT: All right. Continue with your
17 examination, Mr. Bunt.

18 Q. (By Mr. Bunt) What did you do after learning that --
19 about this BiTS Conference, the display that Mr. Hwang had
20 sent out saying that HiCon Limited might be selling
21 business -- might be selling H-Pins?

22 A. We got with our attorneys and sent out a warning letter.

23 Q. And did -- was ultimately a lawsuit filed?

24 A. Yes.

25 Q. And was that suit -- what happened in that lawsuit?

1 A. Well, at the -- when we got to BiTS, Mr. Hwang had
2 called me multiple times to work something out, saying,
3 please, please, please, let's work something out instead,
4 and that lawsuit ended up being -- I don't think Hwang
5 answered the lawsuit, and it was dismissed.

6 Q. Did you voluntarily dismiss the suit to try to negotiate
7 some sort of agreement?

8 A. Yes.

9 Q. And were you able to work out differences?

10 A. No.

11 Q. Do you recall what Mr. Hwang wanted from Plastronics
12 when you were trying to negotiate with him?

13 A. Consent, and that's the only thing that he wanted.

14 Q. Consent to what?

15 A. To license HiCon Limited.

16 Q. And did Plastronics give Mr. Hwang consent to grant a
17 license to HiCon Limited?

18 A. No.

19 Q. Why not?

20 A. So, first, he's coming in as HiCon Limited to a trade
21 show, and if I gave him a license right then, it's just a
22 red carpet to come steal all my customers in the United
23 States. So at that point, there needed to be a new deal.

24 Q. And were you able to work out a new deal with him?

25 A. No.

1 Q. Did you try to?

2 A. Yes.

3 Q. So let's turn to Slide No. 12, which was referenced in
4 the opening statements today.

5 A. Yes.

6 Q. And this is Defendants' Exhibit No. 423.

7 And it's a document titled The Korean Conflict
8 Memo. Can you tell the jury what this document is?

9 A. So this is -- I meet with a business group of other
10 owners in the DFW Metroplex, people that run a book
11 publishing company, a trash company, just different --
12 different owners. And what you do is you bring your issues
13 to them and see if you can -- if they can help you and also
14 learn from you, so it's kind of a shared learning, plus
15 giving feedback back to you to try to help you out on a big
16 business problem.

17 Q. So the title of this document, The Korean Conflict: A
18 story of IP and shoddy paperwork, what did you mean by that
19 when you put that title in there?

20 A. So the -- the IP is intellectual property, and the
21 shoddy paperwork is that we didn't have a -- a lawyer draft
22 of that agreement. And that's -- it was a good agreement,
23 but a lawyer would have made a lot of this -- things
24 unnecessary that we're doing today. And I don't really want
25 to be here, but this is kind of where we're at.

1 Q. So the first box in there says: David Mistake No. 1.
2 What -- what was that mistake?

3 A. So we did all this paperwork to come in, you know, with
4 green cards, got a consultant doing all this stuff, but his
5 employment papers didn't have -- weren't signed on Day 1.
6 And as a company, you're looking after your -- not only your
7 employees but your company and the longevity in the future.
8 Most intellectual property -- and I'd say 99.9 percent of
9 people who work at your company when they're filing patents,
10 you'll be assigned those patents inside the company. And
11 that didn't happen.

12 Q. And then David Mistake No. 2, says: This contract has a
13 ton of holes in it, and is what I call a chicken scratch
14 document instead of a good legal contract.

15 Why did you say that?

16 A. Well, I said that kind of -- going back to shoddy, but
17 there needs to be, you know, arbitration clauses, venue
18 clauses. It's clauses that a lawyer thinks about where
19 there's no possibility of confusion in that document at all,
20 but it's -- you know, it's a legal document, but could have
21 been -- could have been better, and that's it.

22 Q. So if we turn to Slide No. 13, which is the second page,
23 I believe, in this document, it has a number of options.
24 And the first one says: Continue as is -- sell more, do
25 movie -- movie studio cost recovery methods and move on.

1 What -- what did you mean by that?

2 A. So -- so to me -- just to let you know also, I don't
3 write this in a vacuum. I have the -- our group has a guy
4 that comes by every month for two hours and sits down and
5 says, okay, let's work on your presentation what you're
6 going to present about. And these were the options that I
7 think he came up with or I came up with at the same -- you
8 know, just working together. He said movie studio -- you
9 need to get the cost where your actual costs are in this
10 company where you know what you're doing.

11 We have engineers running around, people working
12 on projects. We have stamp contacts. We have single
13 beam -- you know, we have all the different products that
14 are all boiled into that one company.

15 Q. The next point, 2: Work with a guy in Korea who will
16 not propose anything and only ask for money.

17 What did you mean by that?

18 A. Well, every time we sent a -- sent a contract or I'd get
19 an email from Mr. Hwang or do anything, we'd send him the
20 bullet points that we need to fix the whole contract, we
21 need to -- we need to redo the contract if he wants consent.
22 And he'd say: Just give me consent.

23 So very -- just one line, okay. Have an attorney
24 send me a contract so we can edit it, and we'd do that, and
25 then get back very little.

1 Q. But the only thing that Mr. Hwang wanted was consent to
2 license. As far as trying to do a new contract, the only
3 thing he would ever say was: I need to have consent to
4 license?

5 A. Yes.

6 Q. So then if we go to the next slide -- is this the last
7 sentence on that memo?

8 A. Right. So this was the very last line through the whole
9 document, and it's based on your feedback. And this is 12
10 to 14 people listening to me. So based on your feedback,
11 I'll send him another proposal. Not sure how to handle this
12 mess other than that, other than KOKO, which means keep on
13 keeping on.

14 Q. So did you create a new company in December of 2012?

15 A. So about a year and a month after this, we did what's
16 called a divisive merger. It's a Texas law.

17 Q. And so what happened as a result of the divisive merger?

18 A. So it's basically taking -- if a company's like this,
19 you take and split it into two, and you put the assets in
20 one company and the other assets in the other company, so
21 they're just split as two legal entities.

22 Q. So what were the two companies that came out of that
23 divisive merger?

24 A. One was Plastronics Socket Company, and one was
25 Plastronics H-Pin.

1 Q. And what assets were placed in the H-Pin business?

2 A. So the assets were all the inventory of pins, all the
3 stamping, all the stamping dies, all the automation
4 equipment, all the test equipment, everything was put into
5 that company that had anything to do with H-Pins.

6 Q. And all the sales of the H-Pins, that was in that side
7 of the business?

8 A. Yes.

9 Q. And so why did you want to do this divisive merger where
10 you'd have an H-Pin business and a Plastronics Sockets
11 business?

12 A. So there's -- the -- the biggest reason is the connector
13 industry is a pretty big industry, and we had three or four
14 people wanting to invest in Plastronics or come in, and I
15 didn't want a 40-year-old company with a lot of burn-in. So
16 this was a great vehicle to raise money and to have people
17 come in and invest in it and be partners in the H-Pin
18 business.

19 Every time we came up with a new pin or a new --
20 new one of these, I'm looking at 400,000 to 600,000 to a
21 million dollars, depending on stampings and automation. So
22 it's a great vehicle for another company to be able to come
23 in, and Mr. Hwang can tell me I can't license anybody, but
24 Mr. Hwang can't tell me if I can have anybody invest in my
25 company or be partners with me.

1 Q. And so have you been able to get inventors to get into
2 Plastronics' H-pins yet?

3 A. Oh, we have -- we have interest, but we don't have
4 anybody today -- kind of awaiting some -- you know, all this
5 agreements and everything.

6 Q. So doesn't this divisive merger -- doesn't it -- doesn't
7 this allow you to play accounting games and decrease the
8 royalties owed to Mr. Hwang?

9 A. No. And first, we don't play accounting games. H-Pin
10 sells the -- the pins to Plastronics Socket Partners that
11 they use and that they sell at a mark-up. So this is not
12 ever selling at cost. It's always on a mark-up. And so,
13 no, we don't -- we're not playing games.

14 Q. Does Plastronics Socket charge Plastronics H-Pin a
15 management fee?

16 A. We charge them a marginal fee. We have a consultant in
17 Japan that works for H-Pin Company that goes into the three
18 vendors -- actually retired from one of them, so he's --
19 speaks Japanese and helps us translate anything. And any
20 kind of ordering, invoicing, any type of website work,
21 marketing or sales, it's in that little -- in that
22 management fee.

23 Q. So does H-Pin currently own the H-Pin patents?

24 A. Yes.

25 Q. Or its half of the H-Pin patents?

1 A. It's half of the assignment.

2 Q. And then Mr. Hwang owns the other half, correct?

3 A. Correct.

4 Q. So can you tell the ladies and gentlemen of the jury
5 what is HighRel company?

6 A. So HighRel is -- let me --

7 THE WITNESS: I'm going to pick up this board,
8 Your Honor.

9 A. HighRel is one of the companies that makes this green
10 circuit board there. This is not theirs, but they make very
11 similar type. So they make circuit boards.

12 What they do is they make circuit boards and
13 either will buy sockets from Plastronics or other vendors,
14 and then sell that to, let's say, NXP, which is a -- or TI.
15 TI is an easy example. Or TI will tell them we're buying
16 new sockets. We're going to ship it to you as a board
17 house. You're going to make this board for us and ship us
18 the board.

19 So they're a -- a printed circuit board house and
20 assembly of the board with the components on it.

21 Q. (By Mr. Bunt) What was Plastronics's relationship with
22 HighRel prior to 2017?

23 A. We had -- you know, a good 20-plus year relationship
24 with Gordon Cowan, the owner. And just a
25 vendor/customer-type relationship for a long time.

1 Q. Did that relationship change in 2017?

2 A. Yes. We got a letter from Mr. Cowan stating: We will
3 now be the authorized distributor of HiCon products.

4 MR. BUNT: Let me pull up Slide No. 15?

5 Q. (By Mr. Bunt) Is this the letter that you received?

6 A. Yes.

7 Q. And I believe that's designated as Plaintiffs' Exhibit
8 No. 21, and it's a letter from HighRel to you; is that
9 right?

10 A. Yes.

11 Q. And they said that they were going to do what?

12 A. HighRel has just signed an exclusive agreement to be the
13 sole U.S. distributor for HiCon Company based in South
14 Korea.

15 Q. Was this the first time that you knew that Mr. Hwang was
16 actually selling in the United States under HiCon Limited?

17 A. Yes.

18 Q. You said -- you said -- told us that in 2009, you had
19 seen the BiTS Conference display. Why didn't you know then
20 that he was selling in the United States?

21 A. We just never had gotten any reports or accounting from
22 him for anything.

23 Q. So what do you see is the issue between you and
24 Mr. Hwang?

25 A. Well, the -- the issue is, you know, we're -- got, you

1 know, a lot of -- a lot of work done, but we've got to get
2 the -- an agreement on all this because we spent tons of
3 money and doing all this and he's coming and licensing HiCon
4 Limited to really take our business and hurt Plastronics.

5 Q. And why is it you believe HiCon Limited does not have a
6 right to do that?

7 A. Because we did not assign -- all -- both agreements, we
8 have to be able to approve a license, and we never approved
9 a license to any of this.

10 Q. Do you believe that Plastronics H-Pins has lost sales
11 from Defendants' actions?

12 A. Yes, definitely.

13 Q. How do you know that Plastronics H-Pins is taking
14 business away from you? Isn't there some other company that
15 could be doing these sales other than Plastronics H-Pins?

16 A. So as we talked about, most of the markets is a single
17 stamping. If you can't use a single stamping, you have to
18 use a -- a project like the H-Pin that can do all the -- all
19 the performance levels. And there's no other product on the
20 market that does this performance at this cost level.

21 Q. Does Plastronics have the capacity to make additional
22 sales if HiCon Limited was not making those sales?

23 A. Yes. The automation machines we have are running
24 probably about 20 percent level. We have to build them just
25 because not every size can be made on all the machines. So

1 we can crank up the volume on any one of the products at any
2 time.

3 MR. BUNT: I'll pass the witness, Your Honor.

4 THE COURT: Cross-examination by the Defendants.

5 MS. SIVINSKI: Your Honor, may I approach to hand
6 out the binders?

7 THE COURT: You have leave to hand out binders.

8 MS. SIVINSKI: Thank you.

9 THE COURT: All right. Mr. Emerson, you may
10 proceed with cross-examination.

11 MR. EMERSON: Thank you, Your Honor.

12 Mr. Brockwell, would you pull up PX-21, please?
13 Would you call out the second paragraph, please,
14 Mr. Brockwell?

15 CROSS-EXAMINATION

16 BY MR. EMERSON:

17 Q. Mr. Pfaff, I'm going to read the first sentence of the
18 second paragraph: HighRel, Inc. has just signed an
19 exclusive agreement to be the sole U.S. distributor for
20 HiCon Company, based in South Korea.

21 Did I read that correctly?

22 A. Yes.

23 Q. And you understand that the Court has defined today
24 HiCon Company to be HiCon -- Mr. -- Mr. Hwang's DBA or sole
25 proprietorship, right?

1 A. I believe that was the -- the Judge's instructions this
2 morning.

3 Q. And so this letter from HighRel, Inc., to Plastronics
4 tells you that HighRel has signed an exclusive agreement to
5 be the sole U.S. distributor for Mr. Hwang's DBA, right?

6 A. It says: HiCon Company.

7 Q. Right. And you heard the Judge today say that HiCon
8 Company means Mr. Hwang, DBA HiCon, the sole proprietorship,
9 correct?

10 A. Yes.

11 Q. All right. So when this sentence says HighRel, Inc.,
12 has just signed an exclusive agreement to be the sole U.S.
13 distributor for HiCon Company, that means that HighRel has
14 signed an agreement with -- with the DBA, right?

15 A. The date's August 2017, so at the time, who knows.

16 THE COURT: Counsel, approach the bench, please.

17 (Bench conference.)

18 THE COURT: Mr. Emerson, I didn't say every
19 reference to HiCon Company in every document means the DBA.
20 I said, as far as my instructions go, to make sure there's
21 no confusion about all these entities.

22 MR. EMERSON: Understood.

23 THE COURT: Mr. Hwang doing business as HiCon
24 Company the sole proprietorship was going to be called the
25 DBA. You're trying to take my instructions and read them

1 into the admitted exhibits as some kind of confirmation of
2 your position by the Court. That's not proper.

3 MR. EMERSON: Understood.

4 THE COURT: And I can fix it or you can fix it,
5 but it's going to have to be fixed.

6 MR. EMERSON: I understand.

7 THE COURT: All right. Let's proceed.

8 (Bench conference concluded.)

9 Q. (By Mr. Emerson) Mr. Pfaff, you know who HiCon Company
10 Limited is, right?

11 A. Yes.

12 Q. HiCon Company Limited is Mr. Hwang's Korean corporation,
13 correct?

14 A. Yes.

15 Q. And you know who HiCon Company is, right?

16 A. Today I do, yes.

17 Q. Today you do. And you know that HiCon Company is what
18 Mr. Hwang calls his DBA, right?

19 A. From today, I do, yes.

20 Q. From today. So as of today, your understanding, then,
21 of this document is that HighRel, Inc., signed an exclusive
22 agreement to be the sole U.S. distributor for Mr. Hwang's
23 DBA, right?

24 A. Yes.

25 Q. Okay. Mr. Pfaff, who invented the H-Pin?

1 A. Mr. Hwang is the inventor.

2 Q. Mr. Hwang is the inventor. And when did Mr. Hwang -- or
3 let me ask you this. Do you know when Mr. Hwang invented
4 the H-Pin?

5 A. I can tell you based on when we met in Germany, he had
6 the idea for the H-Pin in 2003, when we were -- when we were
7 there together -- when he was at MCS.

8 Q. And he wasn't working for Plastronics at that time,
9 right?

10 A. Yes.

11 Q. No one at Plastronics helped Mr. Hwang invent the H-Pin,
12 right?

13 A. The invention?

14 Q. Right. The invention?

15 A. No, no.

16 Q. He invented the H-Pin in Korea, correct?

17 A. I would assume so, yes.

18 Q. And he invented the H-Pin before he came to Plastronics?

19 A. I don't know when he actually invented it. The filing
20 was done --the filing date was October 6, so soon.

21 Q. I'm sorry?

22 A. The filing date was October 6th. I don't have his --
23 any data of when he did anything.

24 Q. You're not claiming here that he did any work on the
25 H-Pin at Plastronics, right?

1 A. Any work on the --

2 Q. On -- on inventing the H-Pin while at Plastronics?

3 A. No.

4 Q. Right. Okay. Plastronics didn't have the H-Pin
5 technology available to it before Mr. Hwang came to
6 Plastronics, correct?

7 A. Correct.

8 THE COURT: Let me interrupt just a minute.

9 Ladies and gentlemen, a few minutes ago,
10 Mr. Emerson referenced a document that referred to HiCon
11 Company. And he asked the witness to confirm that the Court
12 had indicated that HiCon Company meant Mr. Hwang doing
13 business as HiCon Company, the sole proprietorship.

14 My explanation about the sole proprietorship in my
15 instructions to you earlier today was simply to avoid any
16 confusion among these various people and entities with
17 similar names. I did not indicate to you and I am not
18 indicating to you that I have reviewed the specific exhibits
19 and held that that particular reference means the sole
20 proprietorship. That's an issue for you to decide.

21 My instructions about the DBA being the sole
22 proprietorship were simply to avoid any confusion in my
23 instructions when talking about all these various entities
24 to you. I did not want you to wrongly assume from the
25 questions that were asked that the Court had somehow put its

1 stamp of approval on that specific reference out of that
2 specific document.

3 So with those instructions, we'll clear that up,
4 and we'll continue with the cross-examination.

5 MR. EMERSON: Thank you, Your Honor.

6 Q. (By Mr. Emerson) Now, the -- in the decade before
7 Mr. Hwang joined Plastronics, Plastronics didn't have any
8 U.S. patents issued to it, did it?

9 A. I'd have to check.

10 MR. EMERSON: Mr. Brockwell, would you pull up
11 DX-19, please? Would you go to Table 3?

12 Q. (By Mr. Emerson) This -- this is a tax credit study,
13 correct, sir?

14 A. Yes.

15 Q. And this tax credit study, is this something that's
16 submitted to the government?

17 A. This is something that's submitted to the IRS. It's
18 government, yes.

19 Q. Okay. And Table 3 lists the patent activity at -- at
20 Plastronics, correct?

21 A. The following table lists the five U.S. patents awarded
22 to the company for innovations in technology as the title,
23 yes.

24 Q. And the last one before the H-Pin patent was issued --
25 or rather filed on June the 10th, 1994, right?

1 A. That's what this says.

2 Q. All right. Now, you saw the document earlier on DX-250
3 where you said that Mr. Hwang's invention changed the world,
4 right?

5 A. Yes.

6 Q. And you don't dispute that, do you?

7 A. To -- to answer that to an email in 2013 to Mr. Hwang --
8 is it 2013 or 2011?

9 Q. Well, we can pull that up.

10 A. Yeah. It was 2011.

11 Q. DX-250.

12 A. Yeah. 2011. You have changed the world. Really trying
13 to work with Hwang to get something done. And anytime you
14 work with engineers or people, you may bloviate a little
15 bit, change the world. I think it's a great product, and
16 I'll always say it's a great product, no doubt about it.
17 Change the world might be bloviating a little bit, but it's
18 a great product.

19 Q. So you don't stand by that statement?

20 A. You know, change the world is a big statement.

21 Q. You made it, though, right?

22 A. Yes, I did.

23 Q. Do you stand by it?

24 A. I probably wouldn't write that again today.

25 Q. The H-Pin accounts for 60 percent of Plastronics'

1 business, right?

2 A. I'd have to check the exact numbers.

3 Q. Do you recall in your deposition when we asked you how
4 much of Plastronics' business was related to the H-Pin?

5 A. Yes. And I think at that time, I said I'd have to check
6 the numbers.

7 MR. EMERSON: Mr. Brockwell, would you pull up his
8 December 7 -- correction -- his February 7th deposition at
9 25/18, through 25/23.

10 (Videoclip played.)

11 QUESTION: How much of Plastronics' business would
12 you say is related to the H-Pin?

13 ANSWER: We should have exact numbers for you on
14 all that.

15 QUESTION: Okay.

16 ANSWER: Somewhere in the 60 percent range.

17 QUESTION: Okay.

18 (Videoclip ends.)

19 Q. (By Mr. Emerson) Does that refresh your recollection,
20 sir?

21 A. I said 60 percent range, but the first thing I said was
22 you should have numbers on that so I didn't have to guess
23 that number.

24 Q. Well, your answer eventually was that the portion of
25 Plastronics' business devoted to the H-Pin was somewhere in

1 the 60 percent range, right?

2 A. I believe so.

3 Q. Okay. Now, the H-Pin is an important product for
4 Plastronics, isn't it?

5 A. Yes.

6 Q. In fact, it's the most important product for
7 Plastronics, correct?

8 A. It's the most capital we put into any product, also,
9 yes.

10 Q. The H-Pin is the most important product line for
11 Plastronics, correct?

12 A. That's probably a good statement, yes.

13 Q. Does Plastronics brand itself as the H-Pin guys?

14 A. Yes. That's one of our -- on our website.

15 Q. And Plastronics has made over \$65 million from the sale
16 of the H-Pins and related sockets, correct?

17 A. I'd have to look at those numbers again.

18 MR. EMERSON: Can we pull up DX-41, please, sir,
19 Mr. Brockwell, and go to Page 27?

20 I'll try to find it myself here on this big
21 spreadsheet.

22 There we go. Thank you.

23 Q. (By Mr. Emerson) The very top line under H-Pins and
24 H-sockets, do you see that number?

25 A. Yes.

1 Q. Right. And the top number is 65,231 dollars -- 205 --
2 I'm sorry -- \$65,231 -- 231,205 dollars. I'll get it right
3 eventually.

4 A. Yes.

5 Q. And those are your gross revenues devoted to or related
6 to the H-Pin, right?

7 A. Yes.

8 Q. And thus far, you have sold more than 90 million H-Pins,
9 correct?

10 A. I think it's about that.

11 Q. Thus far, Plastronics has made \$65 million but hasn't
12 paid a penny to Mr. Hwang.

13 A. Over 13 years, yes.

14 Q. Has Plastronics paid Mr. Hwang any royalties whatsoever?

15 A. No.

16 Q. You don't disagree that the -- that the Royalty
17 Agreement requires Plastronics -- well, strike that.

18 The Royalty Agreement provides a provision that
19 has royalties to Mr. Hwang, correct?

20 A. Yes.

21 Q. And those royalties are 3 percent of gross sales on
22 inventions after all non-reoccurring capital costs, right?

23 A. Yes.

24 Q. And you also promised to pay royalties on sockets,
25 correct?

1 A. That was in the agreement, yes.

2 Q. And it's the same amount there, right, 3 percent?

3 A. Yes.

4 Q. Now, your position in this case is that you won't pay
5 Mr. Hwang until Plastronics' profits from the H-Pin business
6 cover the non-recurring capital costs, right?

7 A. Correct.

8 MR. EMERSON: Would you pull up PX-30, please?

9 And if you could call out Paragraph 3.

10 Q. (By Mr. Emerson) Now, under remuneration to Hwang, the
11 word profit isn't in that paragraph, is it?

12 A. No.

13 Q. In fact, the only thing that's deducted from gross
14 revenues is non-reoccurring capital costs, right?

15 A. After all non-reoccurring capital costs, that's what it
16 says, yes.

17 Q. It's the only thing to be deducted from gross revenues.

18 A. Well, it's --

19 Q. I'll read it again.

20 PSP current handbook policy to pay 3 percent of
21 gross sales on inventions that are patentable by persons
22 employed at PSP after all non-reoccurring capital costs.

23 Right?

24 A. After they're paid for, yeah.

25 Q. Well, what it says is: 3 percent of gross sales after

1 non-reoccurring capital costs.

2 A. Right.

3 Q. So we deduct non-reoccurring capital costs from gross
4 sales.

5 A. Not my interpretation.

6 Q. Not your interpretation.

7 A. Correct.

8 Q. Okay. But nothing in Paragraph 3 mentions specifically
9 profits, right?

10 A. No.

11 Q. Now, when you and Mr. Hwang were negotiating the Royalty
12 Agreement, you-all talked about what would go into
13 re-occurring expenses.

14 A. I believe so, yes.

15 MR. EMERSON: Would you pull up DX-157, please.

16 And would you call out Paragraph 3.

17 Q. (By Mr. Emerson) This is an email from Mr. Hwang to
18 you, September of 2005, correct?

19 A. Yes. Okay.

20 Q. Okay?

21 MR. EMERSON: You can put that down.

22 Would you go to the next page, please?

23 All right. Let's call out the email on the bottom
24 from David to Mr. Hwang. This is September 21st, 2005.

25 A. Okay.

1 Q. (By Mr. Emerson) And do you see where Mr. Hwang says:
2 Capital costs are still not clear and too much and what are
3 other -- and other non-reoccurring capital costs I think
4 normally cost for just tooling for developing and assembling
5 and patent is reasonable.

6 So he's asking you about what are non-reoccurring
7 capital costs, correct?

8 A. Yes.

9 Q. And then you answered him at the top of this document.
10 Do you see that?

11 A. Yes.

12 Q. And your answer is: I don't understand --

13 THE COURT: Slow down, Mr. Emerson.

14 MR. EMERSON: I'm sorry.

15 Q. (By Mr. Emerson) Your answer is: I don't understand.
16 NRE is a simple concept. We need to spend capital on tools,
17 assembly equipment, test equipment, and patents.

18 Correct?

19 A. Yes.

20 Q. And these are one-time charges, right?

21 A. Yes.

22 Q. Non-reoccurring charges.

23 A. Non-reoccurring.

24 Q. Okay.

25 MR. EMERSON: All right. Mr. Brockwell, will you

1 please pull up DX-169?

2 Q. (By Mr. Emerson) Now, Mr. Hwang made it clear to you,
3 didn't he, that he wanted to leave open the possibility of
4 starting a company in Korea after Plastronics, right?

5 A. At what time frame are you talking about?

6 Q. Well, let's look at the email on the bottom here from
7 October 3rd, 2006.

8 A. Okay.

9 Q. So on October the 3rd, 2006, Mr. Hwang says: Korean
10 market is reserved for me, as you know.

11 Do you see that?

12 A. Yes.

13 Q. So Mr. Hwang wanted to make sure that he had the Korean
14 market, right?

15 A. It looks that -- from that email, yes.

16 MR. EMERSON: Let's go up to the email on the top,
17 Mr. Brockwell.

18 Q. (By Mr. Emerson) And the third line -- or the third
19 paragraph there, it says: I will also make sure any
20 partnership understands you will have Korea.

21 Do you see that?

22 A. Yes.

23 Q. So you're acknowledging that he's -- he has Korea for
24 himself, right?

25 A. He has the patent rights -- the assignment in Korea,

1 yes.

2 Q. The Royalty Agreement itself contemplates that Mr. Hwang
3 might go work somewhere else, right?

4 A. Yes, an entity.

5 MR. EMERSON: Pull up DX-154, please.

6 Next page. I believe it's the last page.

7 And would you highlight 4 and below.

8 Q. (By Mr. Emerson) Now, this is an email that Mr. Hwang
9 sent you during the negotiation of the Royalty Agreement,
10 correct?

11 A. Yes.

12 Q. And you can see in the line before -- below the draft
13 Paragraph 4 that Mr. Hwang says: And this item contains I
14 have the right I can form my own entity.

15 Right?

16 A. Yes, that's what it says.

17 Q. And then below that, he says: Do you remember I
18 promised you I will support you anywhere or anytime? I
19 don't know, but when I have the chance to set up my own
20 entity, it will be for me and for you with products.

21 A. For me and for you with products.

22 Q. Right.

23 A. Okay.

24 Q. So he was going to provide you with products and make
25 products for himself, right?

1 A. That's what it sounds like he's saying.

2 Q. Right, when he set up his own entity.

3 A. It looks like that's what he's saying.

4 MR. EMERSON: Now let's go to the September --

5 Q. (By Mr. Emerson) This is DX-154, Mr. Brockwell, at
6 September 21st, 4:27.

7 MR. EMERSON: Move up, Mr. --

8 Q. (By Mr. Emerson) All right. Here's the September 21st,
9 4:27 p.m. email from Mr. Hwang to -- to you. And you see
10 there in the middle: And for Item No. 1, let's put
11 exception in Korea.

12 Do you see that?

13 A. Yes.

14 Q. And so he wanted to except Korea from the scope of the
15 Royalty Agreement, right?

16 MR. BUNT: Your Honor, I need to object. This
17 calls for speculation because he's talking about what
18 Mr. Hwang wanted or what Mr. Hwang thought.

19 THE COURT: Do you have a response, Mr. Emerson?

20 MR. EMERSON: I'll rephrase, Your Honor.

21 THE COURT: All right. Restate the question.

22 Q. (By Mr. Emerson) Mr. Pfaff, Mr. Hwang told you -- or
23 told you to put an exception in for Korea when negotiating
24 the -- the Royalty Agreement, didn't he?

25 A. Looks like he's asking, yes.

1 Q. Yes.

2 Now, Plastronics -- Mr. Hwang owns the entire
3 Korean patent, right?

4 A. The assignment, yes.

5 Q. I'm sorry. Mr. -- Mr. Hwang owns the Korean patent on
6 the H-Pin, right?

7 A. The patent, yes.

8 Q. Okay. And he owns that entirely.

9 A. He doesn't have licensing rights for it.

10 Q. I'm sorry. Mr. Hwang owns the Korean H-Pin patent,
11 correct?

12 A. The patent has assignment and licensing. He has
13 assignment of the patent in Korea.

14 Q. It's been assigned to him.

15 A. Yes.

16 Q. Okay. And only to him.

17 A. Yes.

18 Q. Plastronics doesn't own any share of the Korean
19 counterpart to the H-Pin patent.

20 A. Correct.

21 MR. EMERSON: Pull up PX-16, please,
22 Mr. Brockwell.

23 And if you could call out the last paragraph.

24 Q. (By Mr. Emerson) This is the -- the Assignment
25 Agreement, correct, Mr. Pfaff?

1 A. Yes.

2 Q. And the Assignment Agreement provides that: Each
3 assignee shall be entitled to an accounting from the other.

4 Correct?

5 A. Yes.

6 Q. Has Mr. Hwang ever asked you for an accounting?

7 A. Yes.

8 Q. Have you ever given him an accounting?

9 A. No.

10 Q. Now, we talked earlier about the dispute that arose in
11 2009. Do you recall that?

12 A. Yes.

13 Q. And Mr. Hwang, once he learned that -- that you had
14 taken the position that he couldn't license his own company
15 to his own patents, he didn't sue you, did he?

16 A. Do you mind repeating that question?

17 Q. Sure.

18 In 2009, you sued Mr. Hwang for licensing his --
19 licensing the '602 patent to his Korean corporation, HiCon
20 Limited.

21 A. The big part was the trademark, but yes.

22 Q. But you did sue him for licensing the '602 patent to
23 HiCon Limited.

24 A. I'd have to look at the lawsuit. The biggest thing was
25 the trademark with H-contact.

1 Q. Do you dispute that you sued Mr. Hwang for licensing the
2 '602 patent?

3 A. I'd have to see if that's the language that was in
4 the -- in the lawsuit --

5 Q. In any event --

6 A. -- but there was a lawsuit in 2009.

7 THE COURT: All right. Gentlemen, we're going to
8 talk one at a time.

9 And, Mr. Pfaff, if you don't know, just say you
10 don't know.

11 THE WITNESS: Okay.

12 A. I don't know.

13 Q. (By Mr. Emerson) In any event, you took the position in
14 2000 -- 2009, communicated that to Mr. Hwang, that you felt
15 he wasn't allowed to license the '602 patent to his
16 corporation, right?

17 A. I believe that's true.

18 Q. And that happened after the BiTS show -- or after you
19 learned that he was going to be exhibiting at the BiTS show
20 in 2009?

21 A. Yes.

22 Q. And after that, Mr. Hwang asked you to give your
23 consent, right?

24 A. Yes.

25 Q. And he asked several times?

1 A. Yes.

2 Q. Probably more than several times?

3 A. I don't know the exact count.

4 Q. All right. But you obviously never gave him that
5 consent, right?

6 A. No.

7 Q. And you never told him no either, did you?

8 A. I believe the conversations were -- there was more than
9 just consent for the agreement.

10 MR. EMERSON: Let's pull up DX-198, please.

11 Q. (By Mr. Emerson) Now, this email we talked about
12 earlier, this is in October of 2009 email exchange between
13 you and Mr. Hwang, correct?

14 A. Yes.

15 Q. And here, Mr. Hwang tells you that because HiCon Co.
16 Limited doing business -- doing Korean business in Korea and
17 you don't have Korean patent, I don't need to report.

18 Did I read that correctly.

19 A. You did.

20 Q. And if I need to export, I think I can do at Hwang's
21 personal corp and in this case I don't need to report
22 anything to you based on interpretation of the agreement.

23 Do you see that?

24 A. Yes.

25 Q. And then he says under No. 3: When you give me your

1 consent licensing my patents to HiCon Co. Limited to export,
2 I plan to start export through HiCon Co. Limited and start
3 counting for royalty.

4 Do you see that?

5 A. Yes.

6 Q. So he's offering to start exporting through HiCon Co.
7 Limited and paying you, Plastronics, a royalty if you would
8 give him consent, right?

9 A. Yes.

10 Q. All right. So he's -- so he's setting forth two choices
11 here. He can export through his personal DBA, right, or
12 through HiCon Co. Limited?

13 A. Yes.

14 Q. And he asked you if you disagreed with that, right? The
15 line below reads: This opinion based on the agreement and
16 what I understanding, if you have other opinion, let me
17 know.

18 Do you see that?

19 A. If you have other opinion, let me know. I was looking
20 for disagree, but I didn't -- I didn't see that word in
21 there.

22 Q. My apologies. So he asked you if you had another
23 opinion about those two choices?

24 A. That's what he -- looks like he wrote, yes.

25 Q. And your answer was: We have nothing to discuss.

1 A. Yes.

2 Q. All right. Let's talk about Plastronics H-Pin.

3 Plastronics H-Pin manufacturers H-Pins, right?

4 A. Yes.

5 Q. Doesn't make sockets?

6 A. No.

7 Q. Doesn't sell sockets?

8 A. No.

9 Q. And this allows you, for royalty purposes, to count the
10 sales from H-Pin to Socket, correct?

11 A. Yes.

12 Q. And those don't include sockets, right?

13 A. Correct.

14 Q. So the royalty base there is going to be less than the
15 royalty base was when Plastronics Socket owned the '602
16 patent?

17 A. Between those entities, yes.

18 Q. And so this results in lower royalties to pay Mr. Hwang,
19 correct?

20 A. Only if we don't get a big partner that comes in and
21 buys lots of pins.

22 Q. Sure. If you get a huge partner that comes in and buys
23 lots of pins, then maybe there's some big money, right?

24 A. Yes.

25 Q. All right. But barring that, setting it up so that

1 Plastronics H-Pin owns the '602 patent means that the
2 royalty base for Mr. Hwang is only on pins and not on pins
3 and sockets, right?

4 A. Yes.

5 Q. And you did that to -- to minimize the royalty base,
6 correct?

7 A. No.

8 Q. It was at least one of the reasons, wasn't it?

9 A. The biggest reason is to get a big connector partner.

10 MR. EMERSON: Object to that as non-responsive.

11 THE WITNESS: Okay.

12 Q. (By Mr. Emerson) I asked you what --

13 THE COURT: Wait a minute. If you're going to
14 object to non-responsive, then you're going to need to stop
15 asking questions until I respond to that.

16 MR. EMERSON: I'm sorry, Your Honor.

17 THE COURT: And I'll sustain that objection. Now
18 you may ask your next question.

19 MR. EMERSON: My apologies.

20 Q. (By Mr. Emerson) Mr. Pfaff, my question is this. One
21 of the reasons -- at least one of the reasons that you
22 formed Plastronics H-Pin was to minimize royalties to
23 Mr. Hwang, right?

24 A. The answer is small reason, so...

25 Q. It's a small reason?

1 A. Not the reason.

2 Q. Not the reason. So I'm not asking if there are multiple
3 reasons. At least one of the reasons for setting this up
4 was to minimize your royalties to Mr. Hwang, correct?

5 A. I would not characterize it as that.

6 Q. You wouldn't?

7 A. No.

8 Q. How many employees does Plastronics H-Pin have?

9 A. No employees.

10 Q. And Plastronics H-Pin only sells H-Pins to Plastronics
11 Socket, right?

12 A. Yes.

13 Q. Plastronics Socket is Plastronics H-Pin's only customer,
14 correct?

15 A. Yes.

16 Q. Plastronics H-Pin does not make sockets?

17 A. No.

18 Q. Does not sell sockets?

19 A. No.

20 Q. Now, when Plastronics bids jobs using H-Pins, it
21 sometimes competes with Yamaichi, does it not?

22 A. Rarely.

23 Q. When Plastronics bids jobs using H-Pins, it sometimes
24 competes with Yamaichi?

25 A. Let me think about that for a second.

1 Q. Is rarely sometimes?

2 A. I'm struggling because a lot of times we don't know who
3 we're -- who we compete against on certain orders at
4 different places. So rarely sometimes.

5 Q. Okay. So sometimes you compete with Yamaichi?

6 A. I'm trying to recall when we've competed against them on
7 H-Pins.

8 Q. All right. What about Enplas?

9 THE COURT: Just a minute. The question wasn't
10 when have you done it. The question is: Have you competed
11 with this other company, Yamaichi or however it's
12 pronounced. You either know, you don't know --

13 THE WITNESS: I don't know. Thank you, Your
14 Honor.

15 Q. (By Mr. Emerson) What about Enplas?

16 A. Enplas, yes.

17 Q. What about Aries?

18 A. So it's hard to say. Their product didn't work, and
19 they needed an H-Pin to replace Aries on the ones we did
20 because of the H-Pin performance.

21 MR. EMERSON: Mr. Brockwell, would you pull up
22 DX-327, please?

23 Q. (By Mr. Emerson) This is the email where you're talking
24 about spinning off H-Pin --

25 A. Yes.

1 Q. -- with your accountant, correct?

2 A. Yes.

3 Q. I'm sorry. Mr. Pfaff, DX-327 is the email where you
4 were discussing with your accountant spinning off the H-Pin
5 business, correct?

6 A. Can I -- can I have a chance to look at the complete
7 exhibit?

8 Q. Sure.

9 A. Yes.

10 Q. And your accountant asked you how spinning off the H-Pin
11 business would save cash?

12 A. Yes.

13 Q. And your answer to him was: Future royalty income to
14 Hwang. Can control it better.

15 A. Yes.

16 Q. And that's the only reason you gave him, correct?

17 A. Only reason I gave?

18 Q. Your accountant with whom you're communicating here?

19 A. Yeah.

20 MR. EMERSON: All right. Let's pull up DX-52,
21 please.

22 Q. (By Mr. Emerson) Do you recall this document,
23 Mr. Pfaff?

24 A. Yes.

25 Q. Is it your testimony that someone else drafted this?

1 A. No.

2 Q. These are your words, right?

3 A. I typed it, yes.

4 Q. Okay. Well, are they your words?

5 A. Some are, some aren't.

6 Q. So some came from someone else?

7 A. Yes.

8 Q. It's written in the first person, isn't it?

9 A. Yes.

10 MR. EMERSON: Let's go to David Mistake No. 1.

11 A. Yes.

12 Q. (By Mr. Emerson) All right. And the last sentence in
13 that -- or the second to the last sentence in that first
14 paragraph reads: The subtle difference makes it almost
15 impossible to go back and capture any IP that was brought
16 into the company. Our new employee contracts cover this.

17 Do you see that?

18 A. Yes.

19 Q. And, again, this is -- this is about an employee
20 contract that would cover IP brought in by an employee
21 joining Plastronics, right?

22 A. Yes.

23 Q. So learning from Mr. -- Mr. Hwang when he brought his
24 invention to Plastronics, you guys didn't own that, did you?

25 A. No.

1 Q. No. In fact, he shared that invention with you;
2 correct?

3 A. Shared, what -- I don't know what the word choice is,
4 but --

5 Q. Well --

6 A. -- he brought it. I think I said, yes, he brought it
7 into Plastronics.

8 Q. He brought it into Plastronics, and you guys co-own all
9 of the patents on it except for in Korea, right?

10 A. Yes.

11 MR. EMERSON: Let's go to the second mistake.

12 Q. (By Mr. Emerson) And here you call the contract a
13 chicken scratch document instead of a good legal contract,
14 right?

15 A. Yes.

16 Q. And this is the Royalty Agreement that you and Mr. Hwang
17 drafted together?

18 A. Yes.

19 Q. And it has a ton of holes in it?

20 A. Yes.

21 Q. Not particularly clear in some places, right?

22 A. Could be clearer.

23 Q. Now, in the second paragraph, you state that in
24 September of 2005, we filed the U.S. patent. That's the
25 H-Pin patent, right?

1 A. Yes.

2 Q. And you state that our patent attorney has a contract
3 among all assignees of patents which they cannot license or
4 sell their assignment worldwide without the agreement of
5 other parties.

6 Do you see that?

7 A. Yes.

8 Q. Next sentence: This is a very major clause that went
9 unnoticed by Hwang when he signed the agreements.

10 Right?

11 A. What's the question?

12 Q. This document states that this is a very major clause
13 that went unnoticed by Hwang when he signed the agreements.

14 Right?

15 A. Yes.

16 Q. And that -- that clause prevents him from assigning the
17 rights to make, use, or sell the patents, right?

18 A. Yes.

19 Q. And you -- and you tell your colleagues at Vistus --
20 what's the name of the organization?

21 A. Vistage.

22 Q. Vistage. You're telling your colleagues at Vistage that
23 the assignment is in Plastronics's name on the one hand, but
24 in Mr. Hwang's name on the other, right?

25 A. Yes.

1 Q. All right. And that means that Plastronics can go out
2 and commercialize this thing, but it will be really hard for
3 Mr. Hwang, right?

4 A. Mr. Hwang?

5 Q. Yes.

6 A. He can do what he wants. What's the question?

7 Q. Okay. Mr. Hwang needs to assign his rights to his
8 company to make, use, or sell, to practice the patents.

9 A. That's what it says.

10 Q. All right.

11 MR. EMERSON: Let's go to Page 3. Let's go to the
12 Pros.

13 Q. (By Mr. Emerson) All right. Pro No. 5 reads: Hwang
14 can't enter any other market than Korea without our
15 approval.

16 Right?

17 A. Yes.

18 Q. Since he needs to license his own company?

19 A. Is that a question or are we just reading?

20 Q. Did I read that properly?

21 A. Yes.

22 Q. Hwang can't enter any other market, other than Korea,
23 without our approval since he needs to license his own
24 company.

25 MR. BUNT: Your Honor, I need to object. I don't

1 hear a question in here.

2 THE COURT: Overruled. That's a question.

3 Restate your question, and then the witness will
4 answer.

5 MR. EMERSON: Thank you.

6 Q. (By Mr. Emerson) Mr. Pfaff, Mr. -- Mr. Hwang does not
7 need your permission or approval to enter the Korean market,
8 right?

9 A. Mr. Hwang?

10 Q. Hwang can't enter any other market than Korea without
11 our approval?

12 A. That's what it says, yes.

13 Q. Since he needs to license his own company?

14 A. Yes.

15 Q. So he can license his own company in Korea?

16 A. I don't think it says that.

17 MR. EMERSON: Let's go down to the Cons.

18 Q. (By Mr. Emerson) No. 3, it says: We -- we do not have
19 any rights in Korea.

20 Do you see that?

21 A. Yes.

22 Q. And that's because he has the patent there, right?

23 A. He has the assignment there, yes.

24 Q. He has the patent there, correct?

25 A. The -- the patent assignment there, yes.

1 THE COURT: All right. You heard the question.
2 He didn't ask you: Did he have the patent assignment there?
3 He asked you: Did he have the patent there? And the answer
4 is either he did, he didn't --

5 THE WITNESS: He did.

6 THE COURT: -- or you don't know. But you're
7 giving back a different answer.

8 THE WITNESS: Okay. Sorry, Your Honor.

9 THE COURT: Intentionally not answering the
10 question.

11 THE WITNESS: Sorry, Your Honor.

12 A. So, yes, the patent.

13 Q. (By Mr. Emerson) He owns the entirety of the patent in
14 Korea?

15 A. I don't know if I'd characterize it as that. I don't
16 know.

17 Q. What rights does Plastronics have?

18 A. To prevent any licensing.

19 Q. That's not what this document says, though, does it?

20 A. This is not a legal document, and it does not say
21 that -- and it says that, but this is not a legal document.

22 Q. That's not what I'm asking you, sir.

23 This document, which these are your words,
24 correct?

25 A. Yes.

1 Q. And you are telling your Vistage group that Plastronics
2 has no rights in Korea, correct?

3 A. That's what it says.

4 Q. You don't say that I have the right to prevent Mr. Hwang
5 from licensing his Korean company in Korea, right?

6 A. I'm sorry, what?

7 Q. You don't tell your Vistage colleagues that Plastronics
8 has the right to prevent Mr. Hwang from licensing his Korean
9 patent?

10 A. I'm trying to -- I apologize. I'm trying to follow the
11 question, but I'm not understanding your question.

12 Q. Okay. No. 3 on Cons.

13 A. Yes.

14 Q. You say: We do not have any rights in Korean.

15 Right?

16 A. That's what it says.

17 Q. You have no rights in Mr. Hwang's Korean contract or
18 Korean patent?

19 A. Are you saying the words here, or are you asking me the
20 questions about it?

21 Q. I'm asking you, sir, whether you acknowledged in 2011
22 that you -- that Plastronics has no rights in Korea?

23 A. No.

24 Q. That's not what you said here. We do not have any
25 rights in Korea. Are these your words?

1 A. This is a presentation to --

2 THE COURT: Wait a minute. We're not going to
3 talk at the same time. I've already instructed you all
4 about that. The court reporter can't write two
5 conversations taking place at the same time, and we're going
6 to have an accurate record in this case.

7 So you all are not going to talk at the same time.
8 This is the second time I've made that clear. I don't
9 intend to have to make it clear a third time.

10 And we're not going to have an argument all
11 afternoon back and forth about the same question that's been
12 asked about eight or 10 times already. You're going to ask
13 this question one more time, Mr. Emerson, and, Mr. Pfaff,
14 you're going to answer it, and we're going to move on, okay?

15 State your question, counsel.

16 Q. (By Mr. Emerson) Mr. Pfaff, Plastronics has no rights
17 in Korea, right?

18 A. Incorrect.

19 THE COURT: Next question.

20 MR. EMERSON: Let's go to the Options,
21 Mr. Brockwell.

22 Q. (By Mr. Emerson) Now, are these your words, Mr. -- Mr.
23 Pfaff?

24 A. My typed words.

25 Q. Mr. Pfaff, are these your words?

1 A. I had help writing this.

2 Q. Are they your options?

3 A. These are the options to the group to -- for discussion.

4 Q. And who proposed those options to the group for
5 discussion?

6 A. Me and the Vistage coach.

7 Q. The Vistage coach. Are you telling us that the Vistage
8 coach wrote these options?

9 A. I typed them. We discussed them before I typed them.

10 Q. Do you know what movie studio cost recovery methods are?

11 A. I believe we talked about that.

12 Q. Sir, do you know what movie studio cost recovery methods
13 are?

14 A. I -- I know what my interpretation of it is.

15 Q. Okay. No. 3, one of those options: Spin off the H-Pin
16 business into an entity and sell at cost to Plastronics.

17 Do you see that?

18 A. Yes.

19 Q. And, in fact, you did spin off the H-Pin business into
20 an entity, right?

21 A. It is spun off -- it's not -- it's technically a
22 divisive merger, which is not a spin-off.

23 Q. Okay. It's effectively the same thing, though, right?

24 A. I don't know what effectively a spin-off is. I know
25 what a divisive merger is.

1 Q. Well, in any event, the H-Pin business no longer resides
2 with Plastronics.

3 A. Socket.

4 Q. Socket, right.

5 A. Yes.

6 Q. And No. 6: Wait him out until he is completely out of
7 cash and has to sell his IP and block all deals until I get
8 what I want.

9 Correct?

10 A. Yes.

11 Q. And that's in the first person, right?

12 A. Yes.

13 Q. These are your words.

14 A. My words with my help with my Vistage coach because I
15 typed them.

16 Q. So you're not standing by these words.

17 A. I'm standing by the words.

18 Q. Okay. So they're your words.

19 A. I typed them down with help from a Vistage coach talking
20 about these.

21 MR. EMERSON: DX-51, please.

22 Q. (By Mr. Emerson) Who was your Vistage coach? Was it
23 Mark Winters?

24 A. Yes.

25 Q. And here you're emailing this document to Mark Winters,

1 right?

2 A. Yes.

3 Q. And you tell Mr. Winters: I'd rather hand this one out
4 for them to read and then destroy.

5 Do you see that?

6 A. Yes.

7 Q. Do you know if your Vistage colleagues destroyed the
8 copies that you gave them?

9 A. I'm pretty sure we -- the process is hand them out and
10 everybody gets them and returns them back with notes, so --

11 Q. And so there were certain things you didn't want to put
12 in this document, correct?

13 A. It looks like I said: I left off some details that I
14 don't want to put on paper as well.

15 MR. EMERSON: Mr. Brockwell, would you pull up
16 DX-422?

17 Q. (By Mr. Emerson) Mr. Pfaff, do you hate Koreans?

18 A. No.

19 Q. This is an email from you to Chuck Butler in 2013.

20 The Japanese and I bond over a mutual hatred of
21 the Koreans.

22 Do you see that?

23 A. Yes.

24 MR. EMERSON: Pass the witness.

25 THE COURT: Redirect, Mr. Bunt?

1 MR. BUNT: Yes, Your Honor.

2 Ms. Bowron, can you pull up Plaintiffs' Exhibit
3 No. 21 first?

4 REDIRECT EXAMINATION

5 BY MR. BUNT:

6 Q. Do you recall Mr. Emerson asking you a question about
7 HiCon -- the name HiCon Company being listed in this
8 document, Mr. Pfaff?

9 A. Yes.

10 Q. Do you -- is this a document from HighRel?

11 A. Yes.

12 Q. And do you know whether HiCon Company or -- whether it
13 is HiCon Company Limited that is actually doing sales to
14 HighRel?

15 A. No.

16 Q. When was the Korean patent application filed?

17 A. October 6, 2004.

18 Q. And can you remind me as to when it was that Mr. Hwang
19 came to work for Plastronics?

20 A. October 1st, 2004.

21 Q. So the patent application in Korea was filed five days
22 after he came to work for your company?

23 A. Yes.

24 Q. There have been some questions about who invented the
25 patent. Is there any -- any question in your mind that the

1 product, the H-Pin product, could have been made without all
2 the development that Plastronics put into it?

3 A. Is there any question?

4 Q. Yes.

5 A. No.

6 Q. Why is that?

7 A. This development process was long and difficult. You've
8 got very tight tolerance parts that are tiny.

9 THE COURT: Try to slow down. I apologize.

10 A. It's just a lot of work, and it takes, you know,
11 engineering talent and knowhow.

12 Q. (By Mr. Bunt) You were asked some questions about
13 \$65 million in sales. Is that for both sockets and H-Pins?

14 A. I believe so.

15 Q. And can you explain to us how it is that gross revenues
16 fit into this royalty agreement?

17 A. Say that again, please.

18 Q. Yes.

19 Can you explain to us how it is that royalties for
20 Mr. Hwang are -- are calculated or supposed to be calculated
21 under your interpretation of the contract?

22 A. So, if you look at the sales, there's a cost of sales,
23 but then there's also all the -- all of the people I need,
24 the buildings, and you have a lot of costs associated with
25 getting it. And then at the end of the day, you have to

1 make a profit to pay back the capital. So the capital has
2 got to be paid back from profit.

3 Q. Were there negotiations that were made back and forth
4 between you and Mr. Hwang before he signed the Royalty
5 Agreement?

6 A. Yes.

7 Q. Ultimately is the Royalty Agreement the actual contract
8 that was signed between the parties?

9 A. Yes.

10 MR. BUNT: And can we pull up PX-30?

11 Actually, if we could pull up the slides,
12 Ms. Bowron, from the direct examination. And if we could
13 pull up the slides that go to Royalty -- this Royalty
14 Agreement.

15 Actually, I've got it here.

16 Ms. Lockhart, can we switch over to the document
17 camera?

18 Q. (By Mr. Bunt) So, after the parties had negotiated back
19 and forth -- well, first of all, did Mr. -- Mr. Hwang have
20 things that he wanted in the contract?

21 A. Yeah. I'm sure there are. They went back and forth.

22 Q. And did you have things you wanted in the contract?

23 A. Yes.

24 Q. And is this ultimately the contract that was reached?

25 A. Yes.

1 Q. And on Part 5 of this agreement, can you -- do you need
2 to blow that up, or can you read Part 5?

3 A. I think I can read it.

4 Q. What does that say? If you don't mind reading it to the
5 jury.

6 A. Okay. Licensing the H-Pin Project patent rights,
7 neither PSP or Hwang can grant a license for the patents
8 covering the H-Pin Project without approval from the other
9 party.

10 Q. And so under your interpretation of this agreement, can
11 Mr. Hwang grant a license without your permission to HiCon
12 Limited?

13 A. No.

14 Q. And under this contract -- well, let me go back.

15 There were questions asked to you about the Korean
16 patent. Do you recall you were being asked questions about
17 the Korean patent?

18 A. Yes.

19 Q. And you seemed to be qualifying he -- that Mr. Hwang had
20 the assignment of that patent.

21 Do you recall that question?

22 A. Yes.

23 Q. What did you mean by saying that he had the assignment?

24 A. That's the assignment of the patent in Korea.

25 Q. Well, does that mean that he had the right to assign

1 that patent or license that patent to anybody he wanted
2 without Plastronics' permission?

3 A. No.

4 Q. And is that because of this provision that we just read
5 in this exhibit, the Royalty Agreement?

6 A. Yes.

7 Q. You were asked some questions about Yamaichi and Enplas
8 and Aries, and you seemed to have some hesitation about
9 whether you were competing against those companies for
10 H-Pins. What was that hesitation about?

11 A. Well, they have other sockets that we -- when we sell
12 H-Pins, like the Aries question, the Aries sockets didn't
13 have the performance needed so they went with H-Pin products
14 from us. So it's -- we don't compete H -- I'm sorry. I'm
15 going to slow down.

16 We don't compete H-Pin to stamp contacts. We
17 compete H-Pin to either a Pogo Pin, and we're a lot less
18 expensive, or it's an H-Pin to an H-Pin.

19 Q. So do you consider them to be an outright competitor to
20 Plastronics H-Pins or the H-Pin business?

21 A. No. There's enough differentiation between our
22 projects -- products.

23 Q. Can you explain to us the purpose of the divisive merger
24 that Plastronics Socket Partners went through.

25 A. I'm sorry.

1 Q. Sure.

2 Can you explain to us why Plastronics Socket
3 Partners did the divisive merger.

4 A. So the -- the biggest thing is, to get this pin and
5 volume and to have enough capital to make it, every time we
6 have to reinvest a lot of money. So I've been looking for a
7 big partner, and we've had people who want to come in and
8 partner with us.

9 Those are in other places where they think they
10 can use an H-Pin, and it's got to be something that is board
11 to board connector market, just a little bit more stable
12 than the semiconductor market that's big swings and arrows.

13 And that's what we still deal with today. We go
14 up, we go down, we go up, we go down, and it's just a big --
15 much bigger market out there to be able to get enough volume
16 of these pins going where we can lower the cost down
17 continually in the future.

18 Q. If you were able to get a large partner to invest, how
19 would that have affected the sales revenue for
20 Plastronics-Pins?

21 A. It would pretty much explode it.

22 Q. What effect would that have on Mr. Hwang's royalties?

23 A. It would increase them.

24 Q. So, if Plastronics H-Pins were making more sales as a
25 result of having a partner involved, Mr. Hwang's royalties

1 would be quicker to be paid, right?

2 A. Yes.

3 Q. So have you had opportunities to grow the H-Pin business
4 that you had to turn down?

5 A. Yes.

6 Q. Why were those opportunities -- why did you have to turn
7 those down?

8 A. We've run into a few things on trying to negotiate and
9 getting any kind of agreement done with them, a lot of it
10 the Korean patent and getting Mr. Hwang's approval. We had
11 a few things in -- early on that were very difficult to get
12 done. It's just -- it's very difficult with Mr. Hwang
13 involved with some of this stuff like that.

14 Q. Under this exhibit, Plaintiffs' Exhibit No. 30, the
15 Royalty Agreement, remind us, is it -- under Part 4, it
16 says: Remuneration to Plastronics Socket Partners.

17 Do you see that?

18 A. Yes.

19 Q. And is it your understanding that under this provision,
20 there are situations where Mr. Hwang would need to pay
21 royalties to Plastronics -- Plastronics H-Pin?

22 A. Yes.

23 Q. And when you were negotiating your agreement with
24 Mr. Hwang, did you expect that if this provision was met,
25 that you would be receiving royalties from Mr. Hwang?

1 A. Yes.

2 Q. Has Mr. Hwang paid any royalties to Plastronics?

3 A. No.

4 Q. You were asked a question about hatred of Koreans. Do
5 you recall that?

6 A. Yes.

7 Q. Do you recall what was going on with your negotiations
8 with Mr. Hwang when you made that statement?

9 A. Do you remember what exhibit that was so I can look at
10 it?

11 Q. Let me short-circuit and say, do you know if you were
12 frustrated from dealing with Mr. Hwang when you wrote that
13 email?

14 A. Yes. I think it was more in response to my buddy's
15 comment.

16 Q. Do you have an animus against Koreans?

17 A. No.

18 Q. Do you do business frequently with Koreans?

19 A. Yes.

20 Q. Do you have friends who are Koreans?

21 A. Yes.

22 Q. Have you tried to maintain friendly relations with
23 Mr. Hwang despite all of your contract problems?

24 A. Yes.

25 MR. BUNT: Ms. Bowron, could you pull up

1 Exhibit -- Plaintiffs' Exhibit 314.

2 That's a little hard to see. Let me -- let me
3 switch to the ELMO again.

4 Thank you, Ms. Lockhart.

5 Q. (By Mr. Bunt) Is this an email that you wrote to
6 Mr. Hwang?

7 A. Yes.

8 Q. And what's the date on that email?

9 A. January 9th, 2010.

10 Q. And at the top, you say: Before discussing any product
11 planning, we need to resolve our many outstanding issues and
12 have a clear agreement moving forward covering all the
13 points in our back-and-forth discussion.

14 A. Yes.

15 Q. Why did you feel like you needed to have a clear
16 agreement, and why did you feel like there were outstanding
17 issues?

18 A. Because there were outstanding issues, and it was a lot
19 of back and forth. We needed to meet together face-to-face
20 and iron this thing out.

21 Q. Every time you wanted to talk to Mr. Hwang, what was his
22 response?

23 A. Too busy or call me at 10:00 p.m. or some -- just
24 something that seemed to -- avoidance.

25 Q. And so on the third paragraph, there's an earlier email

1 where he's saying: Let's -- let's try to discuss this.
2 Let's try to work something out.

3 And you -- the second paragraph, do you say: I
4 agree; we need to discuss this matter together sincerely and
5 in good faith?

6 Do you see that?

7 A. Yes.

8 Q. And then you said: But Dan, we need to -- by Dan, you
9 mean Mr. Hwang?

10 A. Yes.

11 Q. We need to do this face-to-face. We cannot do it
12 through email because email is not effective, and we need to
13 do this soon as the court has allowed us too much time
14 already, and the federal court date will approach very soon.

15 Are you referring to the 2009 lawsuit that arose
16 out of the BiTS Conference show?

17 A. Yes.

18 Q. And you say -- do you say: I have a proposal?

19 A. Yes.

20 Q. And then will you read the next paragraph that begins
21 with: Come with your wife?

22 A. Come with your wife and meet us in a U.S. city of your
23 choosing. We will spend as many hours together as we need
24 to make a final agreement and move forward with our
25 respective businesses. I will show my good faith by paying

1 for your tickets to come to the U.S. and paying for a
2 Korean/U.S. translator from a business translation service
3 at the meeting to make sure we are completely clear on an
4 agreement moving forward. You and your wife show your good
5 faith by coming to meet with us.

6 Q. And then did you also suggest that you could fly them to
7 Chicago or Los Angeles or Honolulu or San Francisco?

8 A. Yes.

9 Q. And did you offer Chicago because you knew that
10 Mr. Hwang -- at least one of Mr. Hwang's sons was studying
11 there in Chicago --

12 A. I believe so.

13 Q. -- and maybe they'd like to go see him during their trip
14 to America?

15 A. I believe so.

16 Q. And then you said: I look forward to a quick resolution
17 to all the issues that we have today and await your
18 response.

19 Is that correct?

20 A. Yes.

21 Q. And so throughout all this, were you trying to work some
22 sort of arrangement with Mr. Hwang?

23 A. Yes.

24 MR. BUNT: I pass the witness.

25 THE COURT: Further cross-examination?

1 MR. EMERSON: No recross.

2 THE COURT: All right. You may step down,
3 Mr. Pfaff.

4 Counsel, approach the bench, please.

5 (Bench conference.)

6 THE COURT: Mr. Furman is next?

7 MR. BUNT: Yes, Your Honor.

8 THE COURT: How long do you expect his direct and
9 his cross to be?

10 MR. BUNT: Probably about 30 minutes.

11 THE COURT: What do you anticipate the cross to
12 be?

13 MR. EMERSON: I can ask my colleague. I'm not
14 crossing him.

15 THE COURT: Ask your -- ask your colleague.

16 MR. BUNT: Your Honor, may I ask my colleague
17 because I'm not --

18 THE COURT: Both of you check and come back.

19 MR. BUNT: Thanks.

20 MR. EMERSON: 20 to 30 minutes.

21 THE COURT: How long do you expect your direct
22 with Mr. Furman to be?

23 MR. DEVORA: About 45 minutes.

24 THE COURT: Mr. Emerson tells me the Defendants'
25 cross will be 20 to 30. That's going to put us here to

1 nearly 7:00 o'clock. I'm not going to keep the jury that
2 late. We'll recess for the day, and we'll start with
3 Mr. Furman in the morning.

4 MR. DEVORA: Understood.

5 MR. BUNT: Thank you, Your Honor.

6 THE COURT: Have a seat.

7 (Bench conference concluded.)

8 THE COURT: Ladies and gentlemen, the next witness
9 appears to be one that will take at least an hour and 15 or
10 20 minutes. I'm not going to hold us that late today.
11 We'll take advantage of this juncture as a good place to
12 recess for the day.

13 As you leave the courtroom through the jury room,
14 if you'll make sure you leave your juror notebooks closed
15 and on the table in the jury room.

16 Let me remind you to follow all the instructions
17 I've given you, including, as you would expect me to say,
18 don't discuss this case with anyone. And like I said
19 earlier, unless you live at home -- unless you live alone,
20 you're going to get that question when you walk through the
21 door, so be ready for it, blame it on me, and don't try to
22 answer it.

23 Travel safely to your homes. As I told you
24 earlier, I'd like to start as close to 8:30 as possible in
25 the morning, so please try to be here by 8:15 or 8:20 at the

1 latest.

2 Don't bring your electronic devices back into the
3 courtroom. Follow all the other instructions I've given
4 you. And travel safely to your homes, and we will see you
5 tomorrow morning.

6 The jury is excused for the evening.

7 COURT SECURITY OFFICER: All rise.

8 (Jury out.)

9 THE COURT: All right. Be seated, please.

10 Counsel, I apologize for the temperature in here.
11 It's been pretty warm this afternoon. I understand there's
12 some problem, and it's being worked on. I hope the
13 courtroom will be cooler when you return tomorrow. We're
14 going to do our best to get it that way before tomorrow
15 because, quite honestly, with this robe, I'm probably the
16 hottest person in the courtroom.

17 Also, on a separate matter, in light of the
18 objections that have been raised to several of the
19 Plaintiffs' asserted causes of action, specifically whether
20 certain causes of action exist or are supported by the
21 pleadings, I'm ordering the Defendants to submit a bench
22 brief no later than 8:00 p.m. tomorrow, July the 9th,
23 setting forth their position as to any claim they challenge
24 in this matter.

25 And any response from the Plaintiffs as to the

1 Defendants' bench brief shall be due not later 8:00 p.m. on
2 Wednesday, July the 10th.

3 Additionally, the evidence so far has made it
4 clear to the Court that the parties dispute the
5 interpretation of several terms in the Royalty Agreement and
6 the Assignment Agreement, including but not limited to the
7 interpretation of the royalty calculations provision in
8 Paragraph 3 of the Royalty Agreement and when an accounting
9 is due under the sixth paragraph of the Assignment
10 Agreement.

11 For any terms other than those that the Court has
12 already found to be ambiguous, that the parties believe are
13 in dispute or that a party wishes the Court to construe as a
14 matter of law for the jury, the parties need to submit bench
15 briefing setting forth their respective positions as to any
16 of those terms.

17 Plaintiffs' bench brief on these matters, being
18 interpretation of the Royalty Agreement and Assignment
19 Agreement, is due not later than 8:00 p.m. tomorrow, July
20 the 9th.

21 Defendants' response, if any, is due not later
22 than 8:00 p.m. on Wednesday, July the 10th.

23 After that briefing is received, the Court will
24 take those issues up further with the parties.

25 Also, for your time keeping purposes, the

1 Plaintiff has used an hour and 15 minutes of its allotted
2 trial time today. The Defendants have used 49 minutes of
3 their allotted trial time today.

4 Also, let me remind you of my earlier instructions
5 to you that before I bring in the jury in the morning, I'm
6 going to expect a representative of each side to be prepared
7 to go to the podium and read into the record any of the
8 items from the list of pre-admitted exhibits that have been
9 used during today's portion of the trial. So have someone
10 prepared on that before 8:30 in the morning.

11 Additionally, I will expect you to continue to
12 meet and confer on any disputes or other issues where you're
13 not in complete agreement. And if you need or desire the
14 guidance of the Court on those issues, I'll be in chambers
15 by 7:30 in the morning. And between 7:30 and 8:30, I'll be
16 available to take those up with you. You need to report any
17 of those disputes in the manner that we've already discussed
18 in pre-trial.

19 All right. With those reminders and additional
20 instructions, are there any questions from either Plaintiffs
21 or Defendants before we recess for the evening?

22 Anything from the Plaintiffs?

23 MR. BUNT: Sorry. No, Your Honor.

24 THE COURT: Anything from the Defendants?

25 MR. EMERSON: No.

1 THE COURT: We stand in recess until tomorrow
2 morning.

3 COURT SECURITY OFFICER: All rise.

4 (Court adjourned.)

5 *****

6
7
8
9 CERTIFICATION

10
11 I HEREBY CERTIFY that the foregoing is a
12 true and correct transcript from the stenographic notes of
13 the proceedings in the above-entitled matter to the best of
14 my ability.

15
16
17 /s/Shelly Holmes
18 SHELLY HOLMES, CSR, TCRR
19 OFFICIAL COURT REPORTER
State of Texas No.: 7804
Expiration Date: 12/31/20

7/8/19
Date